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NEWS SUMMARY

Move to Equities

Just MP rally; Gold up \$34

Move to oust Mr. Neville Wilson, moderate Labour MP for Hayes and Harlington, led in three last night when meeting was ruled to be constitutional.

For a two-minute discussion to dilapidated local Labour HQ, Mr. Ted Harris, the MP, ruled that the resolution calling for Mr. Wilson to be re-elected as a candidate at the next election was not valid.

Mr. Harris said that if any section of the party wanted to oust Mr. Wilson, they should move to remove the resolution and then have a special meeting of the local party and re-elect the resolution.

Sanderson, the local MP, said he was not in the evening's events. He would demand an early election after what he called a "farce".

EQUITIES rallied to recoup most of the previous day's fall, bear closing pushing prices ahead. The FT 30-share index closed 6.5 up at 341.1, after the previous fall of 9.5.

GILTS mirrored the trend in sterling, and changed 180c. The Government Securities Index lost 0.03 to 88.81.

GOLD recovered some of its recent sharp fall, rising \$34 to \$133. The Pound had a better day, closing 1.5 pence higher at \$2.052, after falling to \$2.0325 in the morning. Its trade-weighted depreciation widened to 24.5 per cent. (28.2). The dollar eased after initial gains in most centres, with its trade-weighted depreciation at 1.23 per cent. (1.15).

WALL STREET closed 6.34 up at 826.19.

COPPER rose from \$587.5 to \$592.3 for cash, with a rise of 124.8 of the week.

Labour defeat

Government suffered a heavy defeat in the Commons last night when the Petroleum and Submarine Mergers Bill, which would not unfavourably affect the National Oil Corporation, was passed by a majority of 37, the latest in a series of Government defeats. Mr. Lord, who placed the bill, said the Government's legislative programme is "a farce".

Death sentences

Five sentences of life imprisonment were handed down by a court in London last night for the killing of a police officer. The sentences were handed down to five men who were charged with the murder of a police officer.

Prime time on

Officer John Ryder got a suspended sentence for claiming £21 worth of petrol while he was on holiday. He was charged with the theft of petrol.

Scor ban off

h Rail is to lift its ban on travel for soccer fans this day. There will be no restriction on the sale of Awaydays throughout the country to first time since August, but some restrictions will be in place for badgers.

apons 'swap'

n is hoping for a much exchange of weapons with Mr. Roy Mason, Defence Minister, who said the U.S. government began a European tour yesterday. Back page.

s for badgers

life protection groups yesterday backed Ministry of Agriculture plans to gas with cyanide 2,000 badgers in the south of England to minimise the risk of bovine tuberculosis badgers to cattle. Page 27.

ple and places

people died when a car collided with a lorry in western Kenya.

people—four children—were injured when a coach carrying them from a school in Wolverhampton.

Routed Japan's national team 80-6 yesterday in a 50,000 at the national stadium for a clean sweep of its home schedule.

EF PRICE CHANGES YESTERDAY

Shepherd (E.)	80	+ 5
Smith (W. H.)	394	+ 2
Tarmac	130	+ 8
Thorn Elect.	216	+ 6
Tube Invests.	238	+ 8
Unilever	404	+ 6
UDS	93	+ 4
Agip Ecuadorian Oil	46	+ 12
Shell Transport	350	+ 8
Blyvoor	685	+ 66
Cons. Marchison	630	+ 20
De Beers Dfd.	280	+ 8
Libanon	730	+ 70
MIM Holdings	208	+ 6
Randfontein	210	+ 2
S. Land	260	+ 55
Enasco Minsep	161	- 10
Laporte	64	- 1
Youghal Carpets	70	- 4
Enasco	820	- 20

Healey's proposals given cool reception

£175m. emergency plan to create 100,000 jobs

BY JOHN ELLIOTT, LABOUR EDITOR

The Government yesterday launched an emergency economic package aimed at creating some 100,000 jobs during the next 18 months at a gross cost of £175m. against a background of growing concern about the level of unemployment this winter, especially among young people.

The package has been specially designed to help employ and train the young but it was clear last night that it had failed to satisfy either side of industry or the great bulk of MPs.

Ministers will continue to come under increasing pressure for further action on unemployment from the TUC, which is to draw up a list of fresh demands next month, while any hopes the Government had that its measures would stave off problems at next week's annual Labour Party conference appeared to be all founded.

Union leaders who will be gathering in Blackpool to-day for next week's conference are likely to start pressing for further action although key figures like Mr. Jack Jones, of the Transport Workers, will try to tone down any criticism which might lead to damaging splits.

But Mr. Len Murray, TUC general secretary, last night said a "more expensive" economic stimulus would be necessary.

Launching the proposals as a plan for reducing unemployment in profitable industry to create jobs in the future.

The measures in the first category are:

- The Government's temporary employment subsidy, involving £10 a week subsidies to employers, is to be extended from the assisted areas to the whole country. This has so far benefited 2,300 workers since its introduction in August.
- A second subsidy scheme aimed at encouraging employment of school leavers will be introduced soon. Under this

Measures not a reflation package

By William Keegan, Economics Correspondent

THE GOVERNMENT was anxious yesterday to emphasise that the unemployment-alleviation package should in no way be seen as part of a major reflationary exercise.

Mr. Denis Healey, Chancellor of the Exchequer, said the cost of yesterday's package amounted to one-tenth of what had been done in France and Germany, and one-hundredth of what the U.S. Government had announced.

Against the background of Tuesday's nervous foreign exchange market, Mr. Healey said the U.K.'s balance of payments and inflation problems made it impossible to attempt the scale of reflation undertaken in other countries.

The measures are expected to reduce unemployment by some 10 per cent or 100,000 at most, and only the subsidy for employment in schools and universities is likely to have a major impact in the next few months.

The basic trend of unemployment is seen as continuing upwards for months to come, although at a slower rate than earlier in the summer.

The best Mr. Healey could offer on this front was that unemployment in the U.K. this winter was unlikely now to reach the 13m. level which had been widely feared, and might be adjusted by the end of the year—implying a much higher actual level.

It ought to level off at this point as a result of a recovery in both world and domestic demand, he said. Whitehall sources are already pointing to some recovery in the domestic economy as pinpointed by the end of destocking, and some restocking, in industry generally.

The cost of the measures is put at £75m. on employment, £50m. on industrial investment, and £50m. on additional construction work.

The bulk of the employment and construction spending falls due in the next 18 months, and of the investment aid in subsequent years.

Taking credit for savings from reduced unemployment benefits, official estimates put the net cost of the measures during the current financial year (1975-76) at £20m.

A further £5m. of spending on investment assistance and advance factories falls due in 1975-76.

When allowance is made for the fact that a fair proportion of the £50m. construction programme will be spent early, the actual increase in Government result of the package.

Saudi Arabia seeks to limit oil rise to 5%

BY RICHARD JOHNS

SAUDI ARABIA to-night met stiff opposition to its proposal that the most oil price increase imposed by the Organisation of Petroleum Exporting Countries should be postponed until January.

This was clearly indicated by Sheikh Ahmed Zaki Yamani, Saudi Minister for Oil, as he emerged from a ministerial session on the first day of the OPEC conference here. He said that there had been big differences, and that they had been greater than he had expected.

He is pressing for the delay in the implementation of what the kingdom wants to be a "nominal" increase of no more than 5 per cent, until after the oil producers' "dialogue" with the industrialised countries and developing nations has been given a chance to make satisfactory progress.

A preparatory meeting is scheduled to begin in Paris next month, on October 13, following the breakdown of the earlier one in April.

Mr. Izzeddin Mabrouk, Libyan Minister of Oil, asserted that the new increase would "definitely" be operative from October 1.

Kuwait and Abu Dhabi appear to be amenable to a delay providing that the opposition from the more militant members is not too strong.

Mr. M. O. Feyide, Secretary General of OPEC, confirmed that the "haggling" over the actual price had not begun.

On this front it is clear that with the possible exception of Libya—the more militant members are reconciled to the fact that they cannot obtain more than 15 per cent, in the face of the Saudi stance and with pressure from the industrialised countries of supporting anything in excess of that figure.

This evening the 13 heads of delegations began the process of thrashing out a compromise, having adjourned this morning after a brief session to study the report of OPEC's Economic Commission and to consult among themselves.

Dr. Jamshid Amouzegar, Iran's chief delegate, revealed that the Commission recommended anything from "75-80 per cent" to the highest down to 42 per cent. If the erosion in the purchasing power of oil revenues was to be compensated, he added that the loss in the first nine months had been more than 20 per cent, and cited estimates of the Middle East Research Institute of Japan, indicating that the cost of the producing states' imports had risen 28.8 per cent, this year.

Studies of the Economic Commission serve as little more than a guide to the Ministers and actual decisions traditionally

VIENNA, Sept. 24.

have had an arbitrary element based on political considerations and compromise. But the inflation figures produced in preparation for this conference will be used to justify whatever upward adjustment is decided and to show how moderate OPEC has been.

After the imposition of the inevitable price rise, Sheikh Yamani proposes a further freeze on the duration of which will be dependent on the progress of the "dialogue" with industrialised countries and the developing nations.

Saudi Arabia will expect any increment to include compensation for the depreciation in the value of the dollar. With the dollar's recovery since June when a decision in principle to denounce oil prices in Special Drawing Rights was taken, this is not a burning issue to-day, but Dr. Amouzegar indicated that Iran for one was looking for some compensation for the nine-month period from last autumn to this summer when producers lost from the declining exchange rate of the dollar.

Meanwhile, OPEC will definitely not adopt an indexation system for pricing oil at this conference. It is agreed that implementation of the new formula should be left until after the dialogue has got going.

U.S. businessmen's blunt words

BY PETER FOSTER

HOPES that the U.K. might now have found the road to recovery were tempered yesterday by some blunt words about aspects of Government policy from a group of leading U.S. businessmen.

Members of the party of 21 businessmen on a 10-day visit to the U.K. at the invitation of the Department of Industry said in London that there were signs Britain was now coming to grips with her problems. There was also evidence of a new consensus between industry and the trade unions.

But they criticised Government expenditure, nationalisation policy, planning agreements and the North Sea legislation.

Mr. M. Shepherd Jr., president of Texas Instruments, said: "Every time the Government encroaches on free enterprise we lose some of our individual liberties, and if you let Government encroach far enough you end up with a totalitarian State."

Among members of the mission, who leave for the U.S. on Saturday, are the chairman or presidents of some of the largest companies in the world with a total turnover of about \$26bn, employing about 678,000 people.

They have visited Scotland and the North-East for discussions with leading industrialists, and to stop Government expenditure more money than it took he says that Britain had to force itself to become more investment and less consumption orientated.

Emphasising that the biggest threat to the recovery of the U.K. was the Government's spending more money than it took he says that Britain had to force itself to become more investment and less consumption orientated.

He added the first thing you have to do to cure an alcoholic is to get him to face up to being an alcoholic. You are at that stage."

Turning to the planning agreements proposed under the Industry Bill, Mr. Shepherd said he believed this would lead to allocation of resources and would be "the beginning of the end of private enterprise."

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Bombs follow Rees attack on 'ceasefire'

BY GILES MERRITT

BELFAST, Sept. 24.

THE PROVISIONAL IRA this evening promptly countered Ulster Secretary Mr. Merlyn Rees' denunciation of its ceasefire as "a mockery and a travesty" with a calculated military-style bomb attack on Londonderry.

Only hours after he returned from a special Downing Street meeting on the security crisis, he threw closely grouped explosions rocked the city's shopping centre. The carefully synchronised bombings came a quarter of an hour after a telephone warning told police to evacuate the area. There were no casualties.

The resumption of concerted bombings after a one-day lull is in part a response to the harsher security measures Mr. Rees adopted yesterday. But it is also the start of a determined attempt to reach any possibility of a fresh chance for a political settlement in Northern Ireland.

Mr. Rees' statement made it plain that the Army is rapidly returning to a war footing following Monday's blitz of 20 Provisional bombs throughout the province. He announced that a total of 42 people have been charged with terrorist activities in the past week and that further suspects are still being detained by the RUC.

To-night's Londonderry bombings are now expected to result in more raids by the security forces on Republican strongholds, similar to yesterday's pre-dawn operation in which over 40 men were taken from their homes for interrogation.

The Provisionals have so far insisted that their nine-month-old ceasefire still holds, despite the admission in Dublin by the organisation's ruling council of responsibility for all of Monday's explosions. Their political wing, Provisional Sinn Féin, has now called a press conference for to-morrow to discuss the future of the convention, an institution that Mr. Rees for a further three months beyond its November 8 deadline, and the Secretary of State outlined both power-sharing and an emergency Government part that would involve the mainly Catholic Social Democratic and Labour Party.

The ceasefire is clearly little more than a technical fiction, and after this morning's meeting, chaired by the Prime Minister, the Government has apparently decided to clamp down hard on the new wave of Provisional terrorism.

There now remains the very genuine threat that the Provisionals will respond with a formal ending of the truce and a concerted campaign of violence in all too likely that they will succeed.



Mr. Merlyn Rees... "travesty of a ceasefire."

indications that this week's spate of Provisional bombings results directly from the behind-the-scenes political initiatives being made to extend the life of Ulster's constitutional convention.

The three party United Ulster Unionist Coalition is believed to be agreeable to delaying the presentation of a report to Westminster ruling out power-sharing. In order to reduce the chances of direct confrontation with Parliament over the power-sharing issue, the Loyalist coalition would prefer the 78-seat Unionist Coalition to be decided by a majority, to go through the motions of debating in detail the five different Party proposals on devolved Government that were handed in to convention chairman, Sir Robert Lowry yesterday.

The convention's life, therefore, would be extended by 1.7 years, beyond its November 8 deadline, and it is understood here that the Secretary of State outlined both power-sharing and an emergency Government part that would involve the mainly Catholic Social Democratic and Labour Party.

The ceasefire is clearly little more than a technical fiction, and after this morning's meeting, chaired by the Prime Minister, the Government has apparently decided to clamp down hard on the new wave of Provisional terrorism.

There now remains the very genuine threat that the Provisionals will respond with a formal ending of the truce and a concerted campaign of violence in all too likely that they will succeed.



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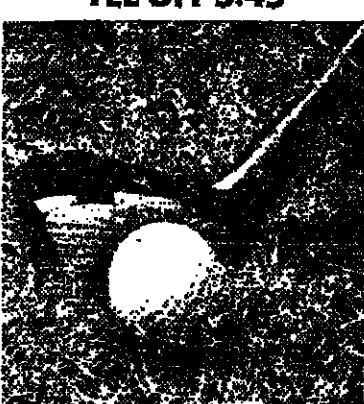
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LOMBARD

A new look for anti-Marketism

BY C. GORDON TETHER

WITH THE summer holiday break over, the country's market protagonists are getting down in earnest to the heart-searching business of trying to decide where their movement goes from here. A meeting of representatives of most of the main organisations involved was held earlier this week. And on Saturday there is to be a co-plan of campaign for the future Westminster at which delegations from the regional organisations are being invited to present their views.

The ranks of the dedicated have inevitably, to some extent, thinned as a result of the referendum. But among those that are left there is a considerable enthusiasm for continuing the fight against Britain's Europeanisation. The big question, of course, is what form the post-referendum crusade can most appropriately take. And here, as might be expected, there is a very wide spread of views.

Many anti-Marketisers still insist that the referendum was such a travesty of the democratic exercise it was supposed to be that there would be every justification for holding it to be invalid—and, therefore, for continuing the fight to secure Britain's withdrawal. But only a relatively small number of them consider that it would make sense to swim against the European tide in such full-blooded fashion at this stage.

A difference

For the most part, they identify themselves in broad terms with the attitude taken by those anti-Marketisers who accepted the outcome of the referendum as a fair reflection of the will of the nation. Which is that we are now in the Market for the foreseeable future at least—and that the aim of anti-Marketism—if that is the right word—from now on should be to see either that further integration is resisted or that Whitehall exercises sufficient control over it to safeguard the interests of the British people.

There is, of course, an important difference, both in principle and in practice between these two objectives. And this is one reason why there is a tendency for some anti-Market organisations to resist the argument that the movement can best effectively stem the tide of Europeanisation if it operates as a single body.

However, it is generally recognised that what happened during the referendum campaign showed the importance of close liaison between anti-Market organisations. So it is, therefore, probable that efforts will be made to create an umbrella organisation.

It is almost everywhere accepted that, at the moment, public interest in the Common Market issue is at such a low ebb that time, money and energy spent on trying to influence the public's thinking would be almost totally wasted. But it is also argued that this pause provides the opportunity for a movement needs to prepare its plan of campaign for the future Westminster at which delegations from the regional organisations are being invited to present their views.

And few anti-Marketisers doubt that this is going to happen. They argue that, because the disadvantages of staying in the Market will be becoming more apparent as the months go by, they won't have to wait long to come into a position to say "We told you so."

Hostages

They also point out that, if the enthusiasm of the other EEC countries are currently manifesting for moving towards the creation of a European Parliament with teeth continues to wax, it won't be long before the country finds itself plunged, whether it likes it or not, into a major new debate on its European future—a battle that could well amount to something closely resembling a rerun of the referendum tussle.

The point is that such a development would commit the country to a course of action that would in due course deprive Britain of its sovereignty just as effectively as a commitment to participate in economic and monetary union or in the formation of a federal State.

One thing that seems clear is that those anti-Marketisers who were not induced to lay down their arms by the outcome of the referendum believe that there is still plenty to play for. One reason for this is that they maintain that the manner in which the referendum was obtained was so unsatisfactory that the EEC visionaries are not going to be able to make much use of it to justify taking Britain further into Europe.

The other is that a great many hostages were given by the Government during the referendum campaign to those objecting to the loss of British sovereignty. What the British people voted for in the end was little more than participation in the present-day EEC. Any attempt materially to exceed this brief, the anti-Marketisers say, be properly fought against to the last ditch.

RACING

Swingtime in top form

VINCENT O'BRIEN and Lester Piggott, who teamed up a year ago to land Ascot's Diadem Stakes with Saritama, can win the corresponding event today (3.5) through another tough American-bred sprinter, *Swingtime*.

This highly attractive half-sister by Buckpasser to the Kentucky Oaks winner, Bag of Nuts, has been maintaining top class sprint form this summer, and she has already achieved enough to make her yearling purchase price of \$225,000 seem justified.

Swingtime first showed herself to be one of the fastest three-year-olds in O'Brien's team when landing the Cork and Orrery Stakes at the Royal meeting here in June. Taking over a furlong and a half from time in that event over today's six furlongs, Swingtime had only to be kept up to her work with hands and heels close home to hold off Street Light by three quarters of a length with Our Charlie and Steel Heat taking third and fourth places.

Since that impressive triumph, which was confidently prognosticated by her trainer, Swingtime has done well in smart company at Deauville, the Curragh, and Doncaster. Her best performance was probably on the last-named track twelve days ago, when she failed by only a head to give

BY DOMINIC WIGAN

Swingtime in top form

on the flat in this country, merits considerable respect on his recent display in the Ayr Gold Cup. Running on with tremendous determination, Roman Warrior just got the better of import, to whom he was conceding 27 lb.

Thirty-five minutes after the Diadem Stakes, Piggott may also be on the mark in the Cumberland Lodge Stakes (3.40), in which his mount, Calaba, is preferred to Whip It Quick.

Calaba, who has taken some time to get her form, this season, put up a highly creditable weight-carrying performance on her most recent outing, when comfortably conceding 12 lb to Shantallah in the Great Yorkshire Handicap at Doncaster on St. Leger day.

A reproduction of that form will make Lord Fairhaven's popular mare extremely difficult to contain.

In the Clarence House Stakes (3.50), which has cut up disastrously, leading seven runners—three trained by Peter Walwyn—I shall not look beyond Seven Barrows's game, derring-do, Anemones, bidding for his fifth success of the campaign.

At today's other flat meeting, however, backers will probably do best to row in with that popular locally-based jockey, Edward Hyde. He could well have three or four winners.

Marine insurance headaches

BY OUR OWN CORRESPONDENT

TOKYO, Sept. 24

PROBLEMS associated with the shipping industry, which underpins the world's economy, were underlined at the International Union of Marine Insurance annual conference here. The increasing amount of tonnage being laid up is creating many headaches for underwriters who have to contend with a host of technical factors in the way of best to deal with the situation. Some "popular" lay-up areas, such as in Greek waters, could be reaching saturation point. And London underwriters are extremely concerned over the accumulation of risks. For example, the part of Greece there are 180 large ships laid up.

Safe berth

Mr. John Oliver, a leading Lloyd's marine underwriter and chairman of the Joint Hull Committee, said today that a safe lay-up berth did not depend on weather conditions, fighting and salvage factors, and so on. Underwriters were not paying sufficient attention to the congestion of ships that might occur when they assess the suitability of locations.

"In a heavily congested area there may be a number of ships

not insured at all, or perhaps insured with one of the alternative markets existing nowadays which do not bother with any form of lay-up precautions. The possible havoc wreaked by an uninsured vessel owned by a faceless corporation breaching a crowded anchorage could be colossal."

Mr. Oliver instanced one block of four ships laid up in Eleusis Bay in Greece, the combined value of which was \$132m. Because of the slump, underwriters are being asked to return premiums on non-navigating ships in increasing amounts, which is seriously eroding profits which are already slim if existing at all. And because of the growing severity of the slump, the London market is to ease its conditions for granting premium returns.

At present, returns of premium for idle ships are made following expiration of the policy. From November 1, returns will be granted for ships laid up for 90 consecutive days during the currency of the policy.

There was a great deal of emphasis today on the continuing

Scattered

Mr. E. D. Rainbow, chairman of the Institute of London Underwriters, said "a thousand or more underwriters scattered throughout the world must do better than they are doing at the moment to piece together the fragments of the world's shipping business. It may take less than 10 seconds to write a hull risk, but it could be 10 years before the underwriter can be sure that he was wise to do so."

His remarks were supported by Mr. Oliver who warned that the recent steps taken by London to strengthen underwriting rates and conditions might soon be followed by an even tougher line of policy. He urged markets who have come into the international marketplace for the first time to look carefully at the eventual impact of long-tail claims.

London's efforts to restore overall profitability to marine underwriting must have support from other markets, he added.

ENTERTAINMENT GUIDE

OPERA & BALLET	THEATRES	THEATRES
<p>COVENT GARDEN 10.15-12.15 English National Opera Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p> <p>ROYAL OPERA 7.30, 9.30 The Royal Opera Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p> <p>ROYAL BALLET 7.30, 9.30 The Royal Ballet Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p>	<p>ADOLPH THEATRE 7.30, 9.30 Adolph Theatre Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p> <p>ALBERT 7.30, 9.30 Albert Theatre Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p> <p>ALHAMBRA 7.30, 9.30 Alhambra Theatre Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p>	<p>AMERICAN 7.30, 9.30 American Theatre Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p> <p>AMERICAN 7.30, 9.30 American Theatre Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p> <p>AMERICAN 7.30, 9.30 American Theatre Tosca, 3.30, 7.30, 9.30, 11.30 Tosca, 3.30, 7.30, 9.30, 11.30</p>

TV Radio

Indicates programme in black and white

BBC 1

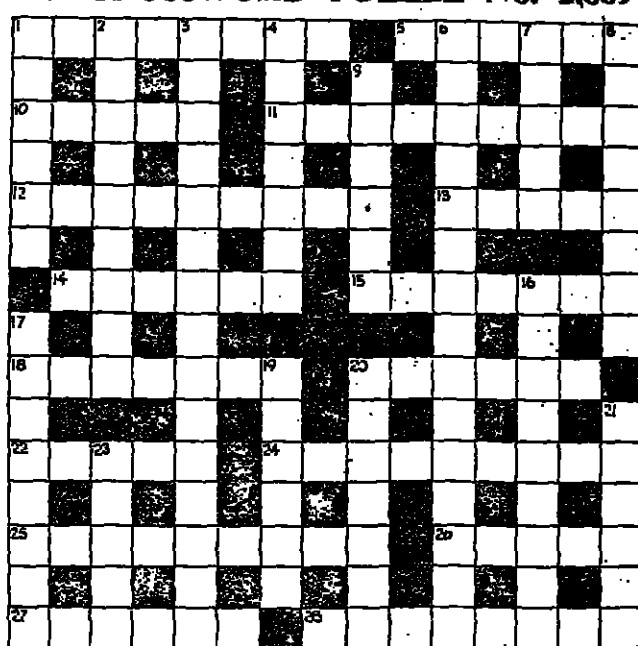
9.41 a.m. For Schools, Colleges, 11.50 Golf: Double Diamond International Team Tournament, 12.35 p.m. News, 1.00 Pebble Mill, 1.45 Ragtime, 2.02 For Schools, Colleges, 3.00 Golf: Double Diamond International Team Tournament, 3.55 Regional News (except London), 4.00 Play School, 4.25 Barabara, 4.30 Jackanory, 4.45 Blue Peter, 5.10 John Craven's Newsround, 5.15 Solty, 5.40 The Wombles, 5.45 News, 6.00 Nationwide.

BBC 2

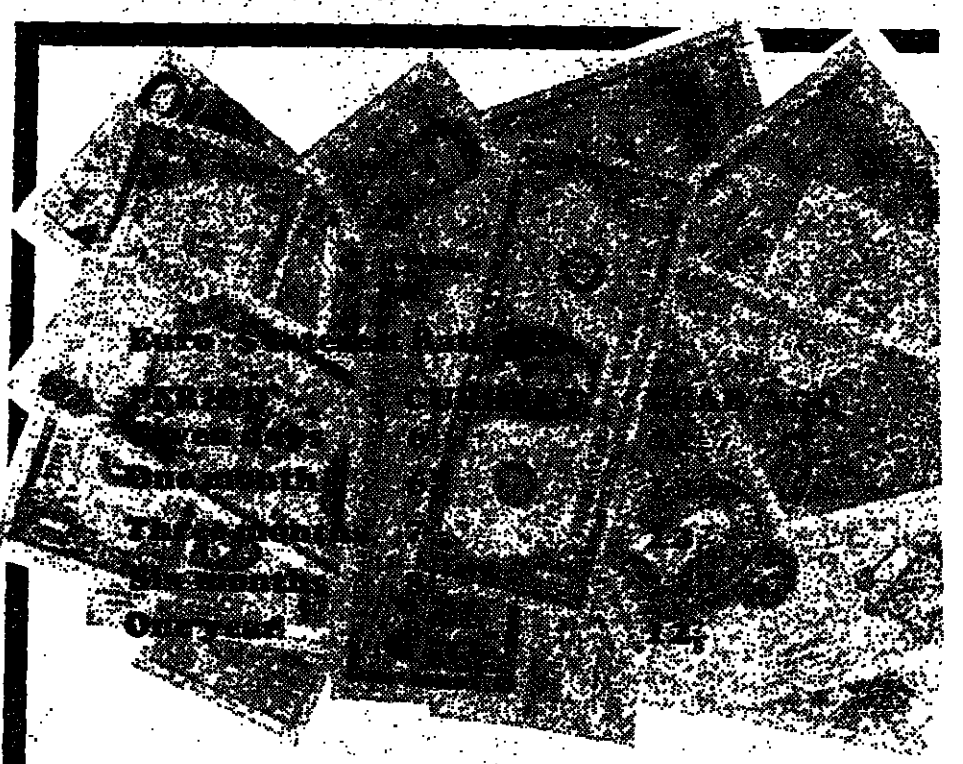
6.45 Tomorrow's World, 7.10 Top of the Pops, 7.45 The Two Ronnies, 8.20 Mastermind, 9.00 News, 9.25 "Days of Hope" by Jim Allen, 10.45 Tonight, 11.20 Weather/Regional News, All regions as BBC-1 except at the following times—

Wales: 6.15-6.45 p.m. Blidowcar, 6.00-6.45 Wales Today, 6.45 Heddidi, 11.30 News of Wales, 11.50 News of Scotland, 11.50 Scottish News Summary, 11.50 News of Northern Ireland, 11.50 News of Northern Ireland.

F.T. CROSSWORD PUZZLE No. 2,889



- ACROSS**
- Salad made to order of old king (4,4)
 - Support for banditry (4,2)
 - Quarrelsome boatman (5)
 - Finished being staged abroad (3)
 - Pressing hard to give Socialist leader some practice (9)
 - Man has chance to become a slave (5)
 - Month before tie turned to mud (6)
 - Hard work getting Virginia to die: along outside (7)
 - Enr's UK transforming islands... (7)
 - ... there should be a fashionable law suit (2,4)
 - Severed before 55 could to have a gun salute (5)
 - Fortune to see that match official shovered (9)
 - To the VAT is possibly what induces person to act (9)
 - Information that is derived from spirit of Arabia (5)
 - Fix it so that three-quarters on to river (6)
 - Row of houses reaching Turkish standard (9)
- DOWN**
- Endearing gesture causes trouble on board (6)
 - Hand down cards to crew (5,4)
 - Firearm for the masses (7,8)
 - Set on making a quiet end (7)
 - Expenses of leaving directions in the air (8,7)
 - Amusing daughter on record (5)
 - Drug even now is a source of liquor (3,5)
 - Girl gets anything or nothing (8)
 - Sole correspondence, since boy joined an established church (9)
 - Learn to battle when in the soup (8)
 - Way a set thanks layers (6)
 - Coffee maker takes in key employer (7)
 - Refer to notice on green (8)
 - Plant taken a great deal all over the United States (5)
- Solution to Puzzle No. 2,888**
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At the Sign of the Angel

by GARRY O'CONNOR

Day in plague time is "Take but death away, untame the infection." The famous edict that the theatres in Elizabeth's time would happen if it had no plays written or tried to play them in their country. Something, the hopes, other than the book of the night, and based on the play which they refer to a line of Henry VIII does not in any of the plays, who exposed words and whole into lyrics which follow without the sequence. Set design is preserved, though cut to a skeleton, all incident, the horse, a Mistress Doll, and indeed, the Battle of Agincourt, a brief "camp" appearance. Item used is that of the day, and lyrics extend to other plays, I almost bibing in the convivial atmosphere. But beware the dragon's alternatively dying, re-blood from Lower Hispania. Its dying again, starts on effect can be devastating twist speech from Troilus 11 p.m. and midnight.



in Pryor in 'The Comedians', which opened last night at the Old Vic

Theatre, Cardiff

Jenufa

by RONALD CRICHTON

new Jenufa seen in between the visual style, with on Tuesday night is a skeletal sets offering very little undertaking by Welsh in the way of Moravian pictures and Scottish opera, queerness, and the producer's to Walter muller's early insistence on operatic behaviour, and it will be taken over of the corniest kind with every stand. This sideways emotion expressed in agitated silent film gestures. The two doubly valuable in the problem of rising, a work like Jenufa, long as a masterpiece, then frozen into tableaux: the first wide popularity, if any, behind Janacek's, as more individual, more scores. his should be so is hard Jenufa is one of the veras of this century of knocking a reasonably audience out first time. il of glorious, dramatic music in which the s which listeners underly and initially hard in

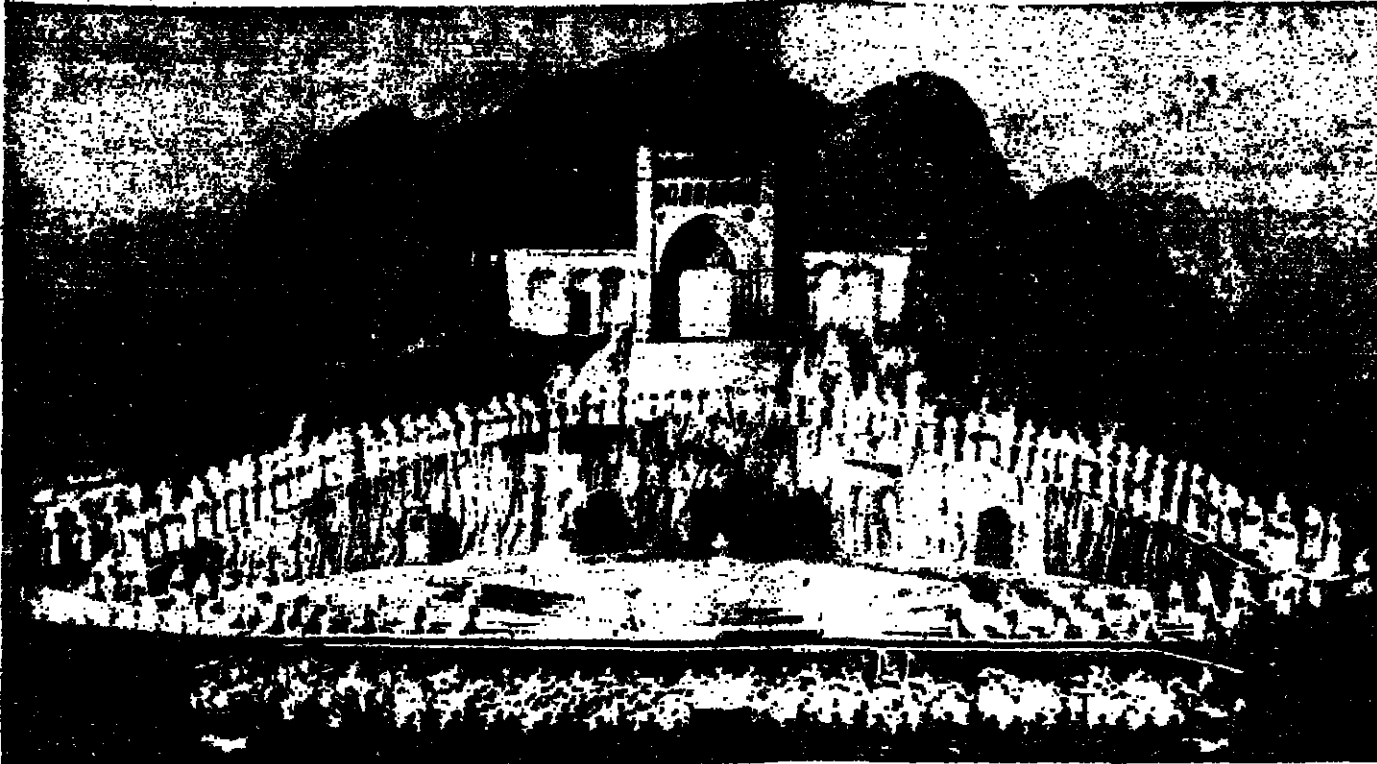
Books page will r in to-morrow's and includes 'The Seven Sisters'

Josephine Barstow's Jenufa alone seems a credible human being, impulsive at times frantic, always natural. Her singing has the accustomed warmth, involvement and grasp of the music. In this setting Miss Barstow's idiosyncratic way of producing the voice seems slightly incongruous: a girl so unlike the others would surely have been taken for a witch. Nevertheless, this is already a valuable addition to this remarkable artist's large and varied repertoire. As the village sexton's daughter, Jenufa's step-mother, Pauline Tinsley makes an impressive first entrance and sings her final scene of confession with real grandeur of tone and spirit. In between, many phrases ring out strikingly, while others are produced by David outbursts. The producer, has by, in designs by Maria, allowed her to over-act fussily, conducted by Richard. She is twice as effective when one, has enough actual she is still. Laced, the ill-favoured half-Jenufa severely popular Brother whose loyal love for has settled down and Jenufa brings the opera to its itself out. At present musically wonderful conflict a nagging opposition, is sung by Alice Cartwright.

Verona Arena

La forza del destino

by ANDREW PORTER



'La Vergine degli angeli'

Opera in Verona's Roman Arena began in 1913, with a production of Aida. The next year, Carmen. After the war, Puccini's The Pledge. The season began to grow: two operas in 1921, three in 1922, four in 1923, and in 1924 the year I first went there a record of five: Mefistofele, Die Walküre, La Bohème, Le Pêcheur de perles, and La forza del destino. Since then, the usual pattern has been three operas and a ballet evening, played in a season that runs from mid-July to late August. This year the three operas are Carmen, Turandot, and La forza del destino, and the ballet is Beethoven's Ninth, danced by the Verona Ballet of the twentieth Century, seated in Arena scale by the local corps. Over the years, Aida has been the most popular work, with 140 performances recorded in the annals. Then Carmen (58), then Turandot (45). Then a neck-and-neck field of ten or so: this year's nine performances of Forza pull that opera up into fifth place, just behind La Gioconda.

Opera in the Arena is a special experience. At its worst, it can be a howling-match in the open air, to an audience of 22,000. But it need not be that. The acoustics of the place are remarkable: those old Roman architects knew secrets of sound unmastered by our modern experts, who resort to amplification once an audience runs into tens of thousands. Each time, a visitor feels astonishment at just how well he can hear, and in Verona I have enjoyed in detail some very delicate performances—Callas, Violella, the young, lyrical Giuseppe Di Stefano in Les Pêcheurs de perles, Caballé's Elizabeth of Valois. But, of course, it is also a mass-event, and particularly in recent years, when the very existence of opera has been a matter of political polemics, "arena opera" has been championed as an unexceptionable, non-elitist form of art.

The Arena has been used for many different kinds of spectacular effect. Once it was in G. W. Pabst's production of Aida—I saw Amneris arrive at the Temple of Isis in a baroque that was really afloat. The big mass moments are especially effective: when thousands of Egyptian soldiers rush up the

steps and pour out over the walls and into the night, as if the Abyssinian invaders were at the very gates of Verona; when the Turandot crowd assemblies in such a way as to suggest that they and we are all one mass, people of Pekin gathering just before moonrise to learn the fate of the latest victim.

Some designers try to "never come" and disguise the fairly unattractive Arena architecture with mountains of scenery; others—among the most successful, Luciano Damiani in the Don Carlos he set out for Jean Villard, in 1969—frankly "accept" the Arena as a challenging and magnificent Open Space for drama in the Peter Brook sense. Damiani termed his contribution not scenery but a "scenic disposition." The Arena was left also bare, lighting and one or two well-designed objects—a grille, a desk, a bench—defined localities, and the full stage, in its huge breadth and depth, was used only for the auto-déf. In general, the recent history of the Verona seasons would seem to show an alternation between big splashy tourist attractions, and "arena opera" as seriously intended and special.

This year's Turandot (which I did not see) seems to have been scenically the most ambitious offering. At the centre was the huge tomb of Princess Lo-lung—a circular orifice with the woman's death-mask enclosed within it, but eventually the hole out of which the sun of love could shine. To judge by models, the symbolism was crude, but the design very striking. La forza del destino, designed by Alessandro Volpi, was more conventional: crags erected as a permanent background, crossed by rocky paths; facades put up front-stage for the interior scenes. Verdi, from about 1855 to 1870, had set his heart on writing a big spectacular tableau to rival the Coronation Scene of Meyerbeer's Le Prophète: hence the auto-déf of Don Carlos, added to the original scenario at his request; and hence the mass-mediated and "La Vergine degli angeli" in Forza, again of his own devising. This monastic assembly certainly made a big effect, as monks after monks, bearing lamps, entered from the monastery and down the mountain paths to ring the wide stage.

But, for the rest, it was a pretty routine, lowest-common-denominator sort of presentation, directed by Carlo Mastrini, an old Arena hand, many chances were missed in the camp and battle scenes.

There was a decent cast, in which Carlo Bergonzi was the most famous name. But Bergonzi, who at his best has no rival but Placido Domingo at his best, perfected his talents and seemed in both his acting and his singing, to be presenting a caricature of a Famous Italian Tenor. In the first scene, having by mischance killed his beloved's father, this Don Alvaro moved calmly across to the chair where he had laid his arm, walked front-stage to cry his final "Oh sorte!" and made an unburied exit. And so it went on. It was not only that Bergonzi—as in that unhappy London Força of 1962—failed to engage dramatically with any of the other characters; he also on this occasion sang in a vulgar, provincial way, with Giggly sobs, and high notes sustained regardless of musical effect. It was a horrid display from a tenor who can be so pleasing.

Leonora was Ilsema Marri-gioli, new to me, a soprano with a well-schooled, and capably managed voice—a "useful" rather than an exciting singer. It has become quite rare to hear sopranos not strident, and equally who sing Verdi's heavier roles fully and evenly. The Carlo Garbis Boyagian, a nice baritone that pours out in a nice easy flow of good, dark yet forward sound; one would gladly hear more of him. The Franco-silla, Wilma Borelli, strove for "richness" and volume rather than vivacity. Domenico Trimarchi was a lively, witty Fra Melitone. The role can hardly go wrong, but it is easy to overdo things, to play for too easy

'Going on the Stage'

Going on the Stage is the report of the Gulbenkian Inquiry into the Professional Training for Drama, which was published on Tuesday. Among its principal recommendations, it proposes that financial support for drama training should be concentrated on a limited number of schools, and that students who successfully complete courses at these schools should automatically be granted Equity cards. It is recommended that there should be a National Council for Drama Training. Not only actors, but authors, directors, stage managers, employers and those engaged in training would all be represented. This Council would be responsible for granting recognition to those drama schools that would qualify for public subsidy, for providing guidance in the type of training to be provided, and ensuring that the acting profession is adequately represented in the training process.

The point might even be reached where drama schools might offer a degree or diploma validated by the Council for National Academic Awards. In any case schools should seek the extra financial support they need (in some cases urgently) by coming into the state education system and by establishing links with local authorities. Among the urgent problems in the profession are the excess numbers of applicants for the amount of work available, the dependence of the schools on fees that may rise to the level where students cannot find them, and the necessity for actors to involve themselves in training. The committee, which was set up in February 1974, began under the chairmanship of How Wheldon. The chair was later taken by Dr. John Vaisey.

Festival Hall

Haitink and the LPO

by GILLIAN WIDDICOMBE

The London Philharmonic Orchestra began its Festival Hall season on Tuesday with a gratifying programme, played with clarity, shapeliness, and a warmth and skill. Happily, Bernard Haitink was conducting. In the past he has usually worn his Concertgebouw shoes at this time of year, and has not been available to polish the LPO on their return to London. Surprisingly, he chose to start with Walton's dashing Partita. Ironically, too, The Partita is a bravura show-off written for the Cleveland and Szel, with tongue-in-cheek trills and leap-frog rhythms: typical London Symphony Orchestra material. (Which is surely closer to Beethoven's thinking than a perfect staccato scamper.)

The performance was also remarkable, as seldom, for its balance of energy and control. The LSO's recent desire to rival the LPO as a Germanic based orchestra, the LPO longs to copy the LSO's razzle-dazzle. On the other hand, the 15-minute Partita serves excellently as a foil to the first movement's rhetorical clean up string intonation and opening. The conductor has his green unanimous bowing. Tuesday's playing suggested that Haitink (one of the very best orchestral trainers still has a little dust on his shoulders) were sometimes asked. Generally, though, the LPO's string tone does seem to have become brighter, the attack more versatile. Woodwind ensemble seems particularly good at the moment: confident, with phrasing steady, as clean at the end as at the beginning.

Haitink took the Walton fast, but cautiously in some respects. The first movement—a noisy torrida, all glitter and patter—needs extreme dynamic terracing; and received happy bustle. The second movement is a Silesian pastorella, but was played elegantly rather than cheekily. And the finale should be more of a giggle.

All in all, it was not a performance that realised the drama scenico-musical of Verdi's intention; certainly not one in which every ingredient, scenic and musical, served as he insisted it should: a single, powerfully held conception of the opera as a whole. (Except at the Coliseum, I have never seen such a presentation.) Forza has a "theme": the faculty of trying to find peace—as both the heroine and the hero seek to do—in retreat from the active world. (In Verdi's next opera, Don Carlos, the Monk-Empress states it specifically.) And, though often deemed formless, the opera has a shape. The first and last scenes concern only the solists; in the five intervening scenes, in each of which the chorus and an unusually large collection of sharply etched minor characters are prominent, the solists are shown either against a busy background or trying to escape from it.

Little of this was apparent in the Verona presentation; it was rather a thoughtless performance. Previous Arena productions have set a high level of intelligent, imaginative interpretation. This Forza was, rather, something to be enjoyed — and at that level I did enjoy it—as an outpouring of splendid music in a splendid open-air setting.

The Rt. Hon. Edward Heath will conduct the Bournemouth Symphony Orchestra in Beethoven's Eighth Symphony at the Pavilion, Bournemouth, on October 26.

Arts news in brief

Newly-discovered recordings of the voice of Henry Irving will be heard in the Radio 3 programme to be broadcast on October 23 to mark the 70th anniversary of his death, which actually occurs on October 13. The wax cylinders containing them come from a Hounslow furniture shop and the descendants of H. M. Stanley, the explorer. The material includes a speech from Shakespeare's Richard III and a passage from Tennyson's Becket. One cylinder, which includes a reading of Sir Edwin Arnold's The Peace of Becket, is older than any other known to have survived apart from that of Edison's own voice. On October 2 the first exhibition of Turner's works to be seen in the Soviet Union will open at the State Hermitage Museum in Leningrad. It will be open until November 27, and then be shown at the Pushkin Fine Arts Museum in Moscow from December 11 to January 22. The exhibition has been organised by the British Council within Britain's Cultural Exchange Programme with the Soviet Union. The exhibition will include 34 oil paintings chosen largely from the collection of the Tate and other important public and private collections.

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Tokyo round talks resume

By David Egft

power it will boost the embryonic Port Said Free Zone.

Egyptians will be allowed to change money with the Port Said money changers, and no-one will be asked embarrassing questions about the origins of their money. Until now the possession of foreign currency by an Egyptian has usually involved criminal infringements.

In a temporary measure announced yesterday by Ahmed Munir Abdel Rahman, Governor of Port Said, Egyptians will be able to buy imported goods from the city's free shops on the same "no questions asked basis."

Economic liberalisation steps are being taken almost weekly in Egypt.

The measures are a serious attempt to mop up the uncharged sums of foreign currency circulating invisibly in the economy. By careful manoeuvring the Egyptian government hopes to use this money to provide essential imports (via the Trade Board). And to prevent any further effect from the Free Zone imported purchases will be absorbed by those who can afford it, thinking runs.

The talks got off on a low key with a meeting at technical level of the group on standards and more important, further sessions largely to the attempt to find compromise on procedural issues between the U.S. and the EEC. The two sides have been holding bilateral discussions, more recently in Washington, on these apparently complicated questions which of the several groups set up by the Trade Negotiations Committee should handle trade aspects of agriculture, trade, and how those efforts were kicked off here with confusing position statements which, in essence, appears to favour a flexible arrangement and a pragmatic approach to dealing with problems as they arise. Bemused delegates from the U.S. and the EEC

BY ADRIAN DICKS IN WASHINGTON

A SHUDDER has gone through the audience after President Gerald R. Ford's narrow "escape" from an assassin's bullet 10 days ago, as anonymous telegrams to the White House, on Tuesday morning put it, "Please stay in Washington for sake of country don't risk a third time."

Mr. Ford himself, vowing to "stand tall and strong" and to "go on refusing" to capitulate to those who want to undercut what's good in America," has brought down a storm of protest from a host of political and public figures. In large, all but his begging him to cut back his appearances in crowded places (though Monday's incident outside the St. Francis Hotel in San Francisco gave the president only a few seconds and took the president no more than 15 or 20 feet from the doorway to his car).

San Francisco area, and had also been a paid informer for the FBI. Ironically, it seems to have been the Hearst case that first drew her into these shadowy realms as a book-keeper for the "People in Need" program, set up to distribute \$2m. worth of free food offered by the Hearst family as a ransom for their daughter.

The return yet again to the front pages of the press this time, however, was due to the circumstances surrounding the assassination of President John F. Kennedy in Dallas in 1963. For all that has been written and conjectured about it, the death of Mr. Kennedy and the murder shortly later of his alleged

genic drugs on unsuspecting people and countless examples of illegal wire-tapping and snooping. Americans might be forgiven for wondering whether the very processes of intelligence gathering and law enforcement have in recent years gone amok.

Admittedly, few Americans still seem to take seriously the notion that a "super-conspiracy" may be devilishly at work behind the scenes, as thriller writers and some of the wilder re-examinations of the Kennedy brothers' murders have occasionally suggested. Yet the coincidence of all these separate but closely similar strands has unmistakably provoked a sense of unease

main in hiding either of their involvement in the thing or because they qualified amnesty with last month by Mr. people who refused to draft. Others, if not their political beliefs less seem to have whether into the "world of work or of rural life of farming that has drawn the mainly left-wing young people to such Colorado, Oregon or recent years.

Even in its heyday its former members radical movement

Few doubt that the near-success of one attack is a powerful encouragement to others, while the existence of a pool of 40m. firearms in private hands ensures that the means are seldom hard to come by.

assassin, Lee Harvey Oswald, still seem imperfectly understood. With the release of the minutes of the Warren Commission of inquiry (of which President Ford, as a Congressman, was a member), it has become clear that many of the hard questions about the roles of the FBI and the Central Intelligence Agency were never put. It is still not known whether, as many have suggested, Oswald had been an informant for one or other agency. But the FBI has admitted that a letter he wrote to its Dallas bureau ten days before President Kennedy's death was destroyed without trace and was never mentioned to the Warren Commission.

women attackers. To be added, no doubt, a lot of Weathermen believe police to be responsible for several bomb explosions in Federal buildings in this summer.

The Sacramento and closely incidents leave that marginal and what they may be, the radical herds can be, theless, The FBI and vice, for all the excess shows up this summer Congressional hearings have slipped up badly efforts to keep an eye risks, while their own former of Mrs. M. appears likely to embroil.

In the end, however

The renewal of interest in the assassination of Senator Robert Kennedy in a Los Angeles Times article in 1965, and the subsequent television network and several private reports on the case, a Los Angeles court has ordered a re-examination of the ballistics evidence and of the gun used by the assassin, Sirhan Sirhan, with a view to testing once more the hypothesis that a second killer may also have been involved.

Finally, the continuing stream of information about the plot mislabeled the "Cuban C.I.A." that is still flowing from the Congressional inquiries. Bombarded with disclosures about murder plots against foreign leaders, illicit stocks of lethal poisons, the testing of hallucina-

men—several of whose own leaders remain on the FBI's most wanted list—recently concluded that the survivors of the assassination were in a state of extreme embarrassment and possibly even in danger, while seeming to offer a little coherent advocacy of radical views. Such, too, seems to have been the reaction of a group of prominent members of the Left-wing coalition that loomed so large in the fears of conservative Americans only three or four years ago.

Indeed, conversations with several people formerly connected with radical anti-imperial politics in the San Francisco area suggest that "the movement," as it used to be called, has been one of the victims of the war itself. Some of those who supported it is true, re-

Ford's determined means unsuccessful. Introduce a less successful fearful style into public life may be a victim. Few doubt near-success of a powerful encouragement others, while the whole pool of 40m. Americans hands ensures that this seldom hard to come publicans, rather than have traditionally been principal advocates of success. Even if Mr. Ford agrees bow to the over public mood by agreeing to a public control measure late date, it will be matter to shorten the already as the election once again gets under

BY HUGH O'SHAUGHNESSY

THE National Health Service is in future to be more active in the field of international co-operation, according to Dr. David Owen, Minister of State for Health, who has just returned from a visit to Brazil and Venezuela.

Dr. Owen explained that his Ministry would be leaning on the N.H.S. to agree on much greater standardisation in procurement. Such standardisation, he argued, would give a bigger home base to the health care industry and would allow it to compete more successfully in foreign markets.

"The N.H.S. and the British health care industry must realise that their future is bound up with the success of British exports, and they must do their best to support the export effort," he remarked.

The Department of Health would be actively encouraging industry to form more consortia to bid for big foreign contracts, and he suggested that straight through the industry should form joint companies to service capital goods sold to foreign hospitals.

The decision of health ministries in a number of countries to restrict procurements was opening up the possibilities of major contracts for British companies. Dr. Owen cited the \$100m. buying programme of the Brazilian public health service for the coming year and the decision of the Brazilian health ministry to buy 4 linear accelerators and 16 cobalt treatment units this year.

Requests from foreign governments for training facilities in Britain for their medical and nursing staffs would stand a better chance of being accepted where it could be seen that the applicant country was buying British, he pointed out.

Dr. Owen foresaw a good future for the sale of Oxford system of modular hospital building to Venezuela. Both that country and Brazil were, he said, "aggressive markets" for the sale of pharmaceutical products.

He recognised, however, the fulfilment of the Brazilian Government's desire to foster local research by the foreign drug companies would depend on the provision of sufficient patent protection to new products marketed there.

FRANKFURT, Sept. 24

FRANKFURT, Sept. 24.
WEST GERMAN motor vehicle production rose to 222,440 units in August from 177,075 units in July, and compared with 179,226 units a year earlier. Exports of 88,964 units were below the 103,778 in July but above the 83,650 units of August, 1974.

Car output was 183,301 units (146,891 in July) and compare with 142,336 in August last year.

For January-August vehicle production declined to 1.95m. against 2.13m., with car output at 1.63m. (1.76m.). Exports were 1m. (1.32m.).

French production

PARIS, Sept. 24.

French vehicle production declined 11.1 per cent in the first eight months to 2,032m. units, including 1.82m. cars, from 2.27m. and 2m. respectively a year earlier. Exports of 1.25m. vehicles included 1.14m. cars, down from 1.27m. and 1.16m. respectively in 1974.

Imports for the first seven months of 245,313 units included 230,886 cars (290,558 and 253,077 respectively).

AP-DJ.

BY ADRIAN DICKS

WASHINGTON, Sept. 24

PRESIDENT Ford to-day assured the two parties in Congress that he was as carefully studying the charges as if they were as serious as J. Edgar Hoover's charge that he was a Communist. He said that he would decline to curtail the extensive travel schedule that will take him to Chicago next week and back to California in October.

Mr. John Rhodes, Republican leader in the House and an old friend of Ford, said that the President had promised he would do what is necessary, but had also insisted he would continue to "go out among the people."

Meanwhile Senator Joseph McCarthy, chairman of a subcommittee overseeing the Secret Service bureau, said he would begin his hearings next Tuesday into the Service's handling of the two recent incidents in which women attackers came close to assassinating Mr. Ford.

The Senator said to-day that he would consider increasing the number of Secret Service agents to guard the President's travels, but he said he would not consider the present strategy.

bodyguards might also be assigned to other candidates, informing those who have not yet formally declared their intentions. Governor Ronald Reagan, President Ford's potential rival for the Republican nomination. For the moment, the limited resources of the Secret Service appears to be the curtailing factor. In spite of pending legislation that might increase the number of agents by some 220 from the present level of just under 1,400.

For the time being, the Congressional committee in charge of ordering protection for candidates has decided to limit eligibility to those candidates who have raised enough money to qualify for federal matching funds under the new campaign financing laws. However, most candidates and hopefuls appear assigned as a result on the two incidents involving Mr. Ford to be need for protection to be

given to them, too, as soon as the Secret Service can recruit and train enough men for the purpose."

Senator Bensen, however, summed up the reluctance most of them clearly felt when he remarked yesterday that "they would have hoped this would not have to be done so soon before next year's campaign."

Meanwhile, the Treasury Secretary, Mr. William Simon, who has final responsibility for the Secret Service, declared his faith yesterday in the basic approach, while rejecting charges that it was complicit in the handling of Miss Moore. Mr. David McDonald, the Assistant Secretary for Enforcement, revealed that the Service has once again called in outside experts for advice on its methods, especially regarding the extremely delicate task of identifying on people considered potentially dangerous.

REFERENCES

WASHINGTON, Sept. 10 (AP)—The CIA regularly e-mails a list of former Presidents and other well-known personalities. Senator Church disclosed today that the Senator, Chairman of the Senate Select Committee on Intelligence, said that the list, whose mail was opened by included Senators Edward Brooke and Hubert H. Humphrey, late civil rights leader, Luther King and Federal Judge J. Edgar Burns.

Senate Board Chairman J. Edgar Burns said the Senator's disclosure was a statement of the Senate Select Committee resumed work on a plan to set up a domestic intelligence unit within the White House during the administration.

The Senator said the Committee would thoroughly investigate the illegal tampering by the CIA with the mail of the agency, over a period of years. The expenditure within the United States and the mail between U.S. and foreign nationals, he said.

Reuter

FEBRUARY 1976

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Canadian paperworkers' strike spreads to Quebec

BY OUR OWN CORRESPONDENT

TORONTO: Sept. 2

workers' union (CPU) have already moved into Quebec and by early next week about 70 per cent of Canada's annual newsprint production capacity of 1.5 million tons a year could be shut down. In addition, it is expected that within about two weeks the union will be in a position to close more mills and shut down a total of 84 per cent of the industry's capacity.

While union leaders have been

...prelude to a complete shut-
down of the industry where
employees are represented by
the CPU. In all, CPU members
are employed at newspaper mills ac-
count for 96 per cent of
Canada's total annual capacity.
The spread in the strike action
comes at a time when newspaper
producers in North America are
beginning to note some firming
demand for their product.

Now that strikes have started in Quebec the shutdown could spread to the maritime provinces in two weeks. The GPO is seeking a wage increase of 41 per cent in the first year of any new contract. The average hourly rate for the old contracts was \$15.60 an hour. Union officials say the strike has been bitter in the very

of meaningful negoti-
between the pulp and paper
panies and the union. Some
officials say that the indust-
deliberately forced a strike
while company officials de-
legation they earlier de-
that a strike that was no
negotiated could help the com-
y permitting a substantial
down of inventories.

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Vider Australian policy n foreign investment

KENNETH RANDALL

CANBERRA, Sept. 24.

THE Australian Government issued its most comprehensive policy statement of investment, moderating its attitudes on localisation of energy resources generally and equity control ahead of equity control.

The new policy will have a major impact on the voluntary investment of business, which will remain a closed foreign investment in new discoveries and severe restrictions on the real estate, the new policy is relaxed and flexible, resting on a case-by-case basis of business interest.

Prime Minister Mr. Whitlam said the Government to the business community for co-operation in the policy objective of mutual practicality and investment in the activities of companies operating in Australia, on the basis of fair and reasonable negotiations.

Mr. Whitlam said the Government was continuing to welcome foreign capital, has a longer term objective of

promoting Australian control and the maximum Australian ownership compatible with our long-term capital requirements and our need for access to markets, advanced technology and know-how.

The Government is establishing a foreign investment advisory committee, replacing the foreign investment committee and the committee on foreign takeovers which run the screening process at present. It will deal with all foreign investment proposals, irrespective of whether they fall within the ambit of exchange control.

Significant expansion projects by foreign companies and cases where the proportion of foreign ownership would be increased by more than 5 per cent. will fall within the screening process, as well as new ventures in the general investment field.

Generally, there will be no obstacle to a foreign investment proposal which will be Australian-controlled.

In the merchant banking and insurance fields, however, Mr. Whitlam said Australia was "already adequately supplied" and foreign interests would have to show "that the Australian economy would be advantaged" before approval was given for a new institution or a significant

increase in their participation in an existing one.

On minerals, the Prime Minister said the Government wanted to see "a significant degree of Australian involvement in exploration." Mr. Whitlam said, "Although it will not be mandatory for foreign exploration companies to seek Australian participation at the outset of initial or gross rights exploration programme, it will be necessary for those companies to notify the foreign investment advisory committee of their exploration programmes at the time they are formulated or subsequently varied significantly."

Foreign companies will in future be required to report to the Treasurer, through the foreign investment advisory committee, when the detailed planning stage is reached and, in any case, every two years, on the efforts they are making to attract Australian participation in their exploration activities.

At the commercial stage of mineral discoveries, foreign companies will be expected to observe 50-50 arrangements in both ownership and voting control. The Government will expect Australian nationals to have "a significant role, to play in the management, technical operation and control."

IN Namibia role rejected

JOHN STEWART

CAPE TOWN, Sept. 24.

South African Prime Minister Mr. B. J. Vorster, has told the inhabitants of West Africa (Namibia) to decide for themselves on constitutional future. He said a suggestion that this be done under United Nations supervision.

Mr. Vorster said 1,500 people, including last night, Mr. Vorster, referred to this week at the UN by Dr. Henry Verwoerd, the United States of State, said he agreed with Dr. Verwoerd that the inhabitants of Namibia should have the right

to express themselves freely on the territory's political structure, but he disagreed that this should be done under UN supervision. He also rejected Dr. Kissinger's statement about South Africa's continuing occupation of Namibia.

Mr. Vorster said South Africa was not occupying Namibia. It was there as an administering power in terms of an instruction of the League of Nations.

South Africa could not accept UN supervision and he was certain the peoples of the territory would also not accept this.

Mr. Vorster rejected suggestions that Namibia should be handed over to SWAPO which, he said, did not have the real following of any nation in the territory, and attacked its leader, Mr. Sam Nujoma, as an adventurer and said the organisation was started by Communists in Cape Town in 1957.

Although South Africa had no claim to land in Namibia, withdrawal from the territory at this stage, as was demanded by the UN and others, would mean absolute chaos. Namibia would not be turned into a second Angola.

karta turns wn Fretilin ntrol offer

JAKARTA, Sept. 24.

INDONESIA HAS rejected a proposal from the left wing Rev. Fretilin for the Indonesian East Timor (Fretilin) unit control of the border between West and East Timor, sources said today.

Mr. Soedono said Indonesia still refused to agree to Fretilin's proposal for the Indonesian East Timor (Fretilin) unit control of the border between West and East Timor, sources said today.

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Plan for new scheme to resettle Diego Garcians

BY JAMES DUXTON

BRITAIN IS to help Mauritius devise a scheme to resettle the 1,000 odd Diego Garcians who were taken to Mauritius three years ago when military activity on Diego Garcia was stepped up. This emerged after a meeting between Sir Seewoosagur Ramgoolam, the Mauritian Prime Minister, and Mr. David Ennals, Minister of State at the Foreign Office.

Sir Seewoosagur confirmed in London yesterday that only a small amount of the £650,000 paid by Britain for the resettlement plan had been spent and that many of the Diego Garcians were living in unsatisfactory conditions.

The Mauritian Prime Minister said that only a few of the Diego Garcians had accepted a scheme already drawn up and that the majority of them wanted to get the money given by Britain in a lump sum.

A British team of experts is expected to visit Mauritius to recommend a new resettlement scheme for the Diego Garcians. Although Sir Seewoosagur would

not confirm that he had asked for more money it is understood that Britain might consider a request for an extra payment if the £650,000 already paid to Mauritius proved inadequate to the new scheme.

The failure of the Mauritian Government successfully to resettle the islanders so far must be seen against the background of a state in which unemployment and poor housing are both endemic. It has obviously proved difficult for the Government to appear to favour one group of Mauritians above another.

The Mauritian Government's embarrassment is one reason why Sir Seewoosagur said that he did not intend to use the issue of the Diego Garcians to reopen the question of the U.S. facility on Diego Garcia. He stressed that he had always wanted the Indian Ocean to be a zone of peace and said he was backing an initiative by Mr. Gough Whitlam, the Australian Prime Minister, to press for a scaling down of U.S. plans for the island.

New Lebanon ceasefire agreement

BEIRUT, Sept. 24.

LEBANESE PREMIER Rashid Karami announced today that agreement had been reached for an political truce between the warring streets of Beirut, but the deadline for the evacuation passed with gunmen still at their posts.

The agreement had raised hopes of an end to six-days of urban warfare between Muslim Leftists and Right-wing Christians, which caused 225 deaths with at least 350 persons injured.

But the 5 p.m. deadline for the removal of barricades and "all signs of violence" passed with gunmen still manning roadblocks and sandbagged machine gun emplacements.

After announcing that the barricades would come down, Mr. Karami said he had set up a 20-man national dialogue committee with the aim of laying down the principles of a national reform programme in the political, social and economic fields.

The committee would include leaders from both Leftist and Right-wing parties, Mr. Karami said.

Speaking to reporters after a meeting with Palestinian guerrilla leader Yasser Arafat, and Interior Minister Camille Chamoun, the Premier said internal security forces would take control in all areas and all violence should stop by the agreed deadline.

But three ceasefires have collapsed during the past week, almost as fast as they were agreed, and it remained to be seen whether the new move would be any more effective.

The Premier did not say explicitly whether all groups involved in factional fighting had agreed to the latest move, but he implied that the decision was generally accepted.

Mr. Karami represents the Sunni Muslim community, Mr. Chamoun the Maronite Christians, and Mr. Arafat speaks for the bulk of the Palestinian guerrillas.

Reuters/UPU

EGYPT'S NEW RICH

The advent of Liberal Man

BY MICHAEL TINGAY, CAIRO CORRESPONDENT

GOOD NEWS for Egyptians earning up to £250,000 a year: in sterling terms that is about £25,000 at the official exchange rate, but more like £33,330 at the more realistic "tourist" exchange rate—but nevertheless a substantial sum. Now a new fiscal measure means that the top 95 per cent. tax rate will be applied at that ceiling instead of the £10,000 hitherto. As part of the new package to encourage Egyptians to produce and foreigners to invest more, tax free income has gone up from £10,000 to £25,000. This will, it is hoped, raise revenues by decreasing tax evasion and also benefit an estimated privileged 20,000 families whose lot contrasts sharply with that of most of the country's 37m. population.

Contrast is the keynote of current change in Egypt, the advent of the "Liberal Man" in the countryside peasants seem little touched by policy changes. Liberalisation is an urban phenomenon of high rise apartments, canal zone cities named after Arab benefactors, hopes for industry, plans for plants making steel, textiles, polyesters, acrylic fibres, reinforcing iron and cement.

But also in Cairo itself donkeys pulling rubbish carts, with the big city leftovers collected and meticulously sorted by fathers and barefooted daughters, still jostle with cars sporting spikes from the wheel arches to protect their paint from such unwelcome contact.

The well-established families are stretching their legs. The Maronites, for instance, who stayed in good health under Nasser, look better than ever; farming, horse breeding, one member, Sayed Marei, is Speaker of the Parliament.

And the other names—Sadrawi, Monasterly, Serag al-Din, Manselawi, with their many branches—are once again the reassuring connections you can't afford to be without. Names like that of Omar Zulfikar, of the family of King Farouk's wife, hushed up under what the market will bear. In Nasser, now all the popular "Liberal Man" is beginning to show up. He may have a busi-

ness, a consultancy, a representative office, or an agency. The liberal policy is having some effect on productivity. Reliable sources talk of a 22 per cent. production increase in some sectors of industry in the first half of 1975. But the industrially employed are few and agricultural production rose by

Egypt's former cotton king and still bears the indelible British revolution: Dr. Helmy Murad, Education Minister sacked by Nasser; Ahmed Abu el Fath, owner of Al Misri newspaper, who started the anti-Nasser Free Voice of Egypt radio in Geneva, now writes in the authoritative Al Ahrar. One

tomato ketchup at £1.50 sterling still bears the indelible British price of 35p. Outside the shops daily can be seen another prosperous type, the lucky individual licensed to scour the gutter for trash. He wears a badge to prove it to fly-by-night guttersnipes trying to intrude on his patch.

The undisputed leader in the race to the new Egypt, where pragmatism and private enterprise can co-exist at state-managed inefficiency, is Osman Ahmed Osman, millionaire contractor and Minister of Reconstruction. Running hard behind are the other self-made men, the nouveaux riches, the educated and not so learned, self-appointed consultants, well-bred estate agents, contacts, connections, cousins, and tough bright young men like Ashraf Marwan, Mr. Sadat's Secretary for Foreign Contacts.

Last year under the interim plan Egypt's private sector was to account for 30 per cent. of investment. In April the Marxist movement of the 18-month Plan, Dr. Ismail Sabry Abdallah, was sacked in a Cabinet reshuffle. Last month President Sadat announced that the public sector was still the bastion whose investments would total £27bn, while the private and foreign sector would not exceed £23.4bn.

Mr. Sadat crystallised his view of Egyptian Socialism saying: "Socialism is not big words, but the right of every citizen to be insured in old age and when he becomes disabled."

The capable Abdel Meguid, responsible for Egypt's brand new Five-Year Plan to be published by mid-October, explained: "Economic policy is conditional on three things: availability of infrastructure, location of industry, and political developments. The proportions of Egypt's public and private sectors are not a question of policy but of the Government's capacity to finance investment. The extent of the private and foreign sector is not a predetermined decision, simply an estimate of what will come through the open door."

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only 2 per cent. in the same period.

What do the other millions think of the advent of "Liberal Man"?

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real Faroukist, the aged Fekry Pasha Abaza, launches regular attacks on Socialism in his Al-Musawwar magazine.

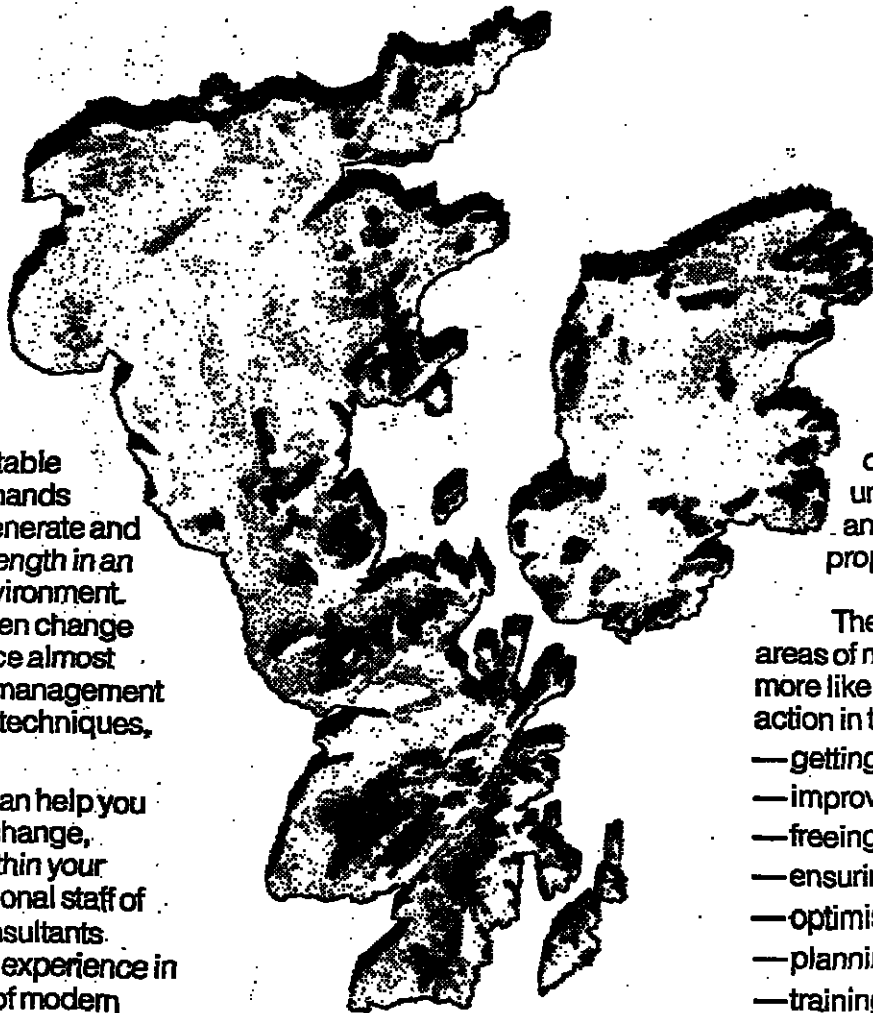
The tide of Nasserism has ebbed. Heads of anti-Socialist fauns are poking from the sand. For the first time in memory an advertisement has appeared in Al Ahrar for a book by the prophet of the banned Muslim Brotherhood, Sheikh Hassan al Baqna.

Downtown Cairo is full of nouveaux riches, subsisting with private enterprise and ingenuity—like the discreet renting of an apartment to Saudis or Kuwaitis at £2400 a month. Tripping in bright red trousers stretched over a well-fed figure, "Liberal Woman" patronises the coiffeurs for hair-dos, manicures, pedicures, and depilation as never before.

The good things are coming to Cairo but they are bought by the 250,000 foreigners and those Egyptians with access to foreign currency. Consumption in this high income sector has increased far more quickly than the annual 5 per cent. increase of consumption throughout the country.

You can buy most things at a price. One of the best kept secrets is where the best hotel, the Meridien, gets its fine French cheeses. Foreign funds rise what the market will bear. In one shop an 8 oz. jar of Nescafe bears the triumphant price of £3.25 sterling, while Heinz door."

WILL YOUR COMPANY MANAGE TO SURVIVE?



Survival in an unstable and chaotic world demands change—change to generate and maintain operating strength in an adverse economic environment. Yet, at the very time when change is most vital, it can place almost impossible strains on management resources: on time, on techniques, on training.

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- improving every aspect of productivity
- freeing funds for better use
- ensuring commitment at all levels
- optimising the use of computer systems
- planning company strategy
- training staff to generate change

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To find out more about what PA can do in any of these areas, please telephone Carolina Pearce on 01-235 6060. She can give you initial information and put you in touch with the appropriate PA Director. Alternatively, please write to: The Managing Director, PA Management Consultants Ltd., 2 Albert Gate, Knightsbridge, London SW1X 7JU.



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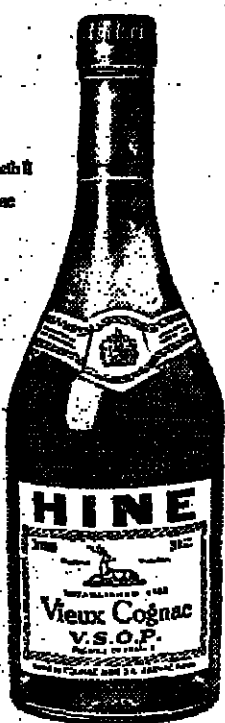
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HINE. The connoisseurs' cognac.

EUROPEAN NEWS

French envoy likely to meet Mme. Claustre's captors in northern Chad

PARIS, Sept. 24. A FRENCH Government envoy will meet Chad rebel leader Hissene Habre tomorrow to bargain for the release of French archaeologist Françoise Claustre, a presidential spokesman said here today.

He said the emissary would be accompanied by two African observers. But he would not identify them nor say exactly where the meeting would be held. It was presumed that the negotiations on the Frs.10m. (flm.) ransom for Mme. Claustre would take place somewhere near the rebels' desert hideout in northern Chad.

An aircraft could land the negotiating party in the desert in spite of the Chad Government's hostility to France's policy of dealing directly with the rebels. Chad, a former French colony, has banned all landings and take-offs by French military aircraft.

The spokesman underlined that France would not be sending arms to the rebels. A deadline for the ransom payment passed yesterday, but the rebels spared the 38-year-old woman's life.

WILLY BRANDT AT SPY TRIAL

DUESSELDORF, Sept. 24. FORMER WEST German Chancellor Willy Brandt testified today that his former aide, Herr Guenter Gullmann, had access to secret documents.

It was the first time the two men had seen each other face-to-face since accused spy Gullmann's arrest forced Herr Brandt's resignation 11 months ago.

The former Chancellor said he had been warned by the then Interior Minister, Herr Hans-Dietrich Genscher, about a year before Herr Gullmann's arrest. "I did not only think it was impossible but completely off the track," Herr Brandt said.

He said that as late as a month before Herr Gullmann's arrest he did not believe his aide was an East German agent. The reason was, he said, that shortly before that another senior official had been cleared of similar suspicions. Reuter

Giscard adopts measures to balance the budget

BY ROBERT MAUTHNER

PARIS, Sept. 24.

THE FRENCH Cabinet today approved a balanced budget for 1976, with public spending totalling Frs.294bn. (about £30bn.), an increase of some 13 per cent. in value and 5 per cent. in real terms over last year.

The budget marks a return to financial orthodoxy after the massive deficit of Frs.40bn. expected this year as the result of the inflationary package adopted earlier this month. This is intended to pump some Frs.30bn. into the economy with the next few months.

Balanced budgets have always been an essential feature of President Giscard d'Estaing's "good housekeeping" methods both during his long years as Finance Minister and his 16 months as Head of State. He has made clear all along that he would revert to traditional policies next year after the autumn spending spree, forced on him by a serious recession and rapidly growing unemployment.

The Government has therefore been careful to limit the increase in expenditure to the estimated 13 per cent rise in value of the GDP between 1975 and 1976. In volume terms, GDP is expected to increase by 4.7 per cent. next year, after a fall of 2.5 per cent. in 1975, according to official forecasts presented today by M. Jean-Pierre Fourcade, the Finance Minister.

Inflation, according to the Finance Minister's scenario, will be kept down to 7.5 per cent. in 1976, while imports are expected to rise by 11.5 per cent. year-on-year, exports by 6 per cent., productive investment by 5 per cent. and private consumption by 2.3 per cent.

Income tax changes in the budget are relatively minor but are generally to the advantage of all but the very highest income groups. Income ceilings for each tax bracket have been raised by 10 per cent. and the maximum annual tax-free wage has been increased from Frs.11,400 to Frs.12,900 (about £1,300). Old-age pensioners and invalids also receive higher tax benefits.

Two new measures particularly affect foreign investments and companies. Foreign states and their central banks and financial institutions, as well as international organisations, will be exempt from the 33.3 per cent. tax levied on treasury bond interest in the case of issues specially reserved for this category of lender. They will also be exempt from paying the 33.3 and 25 per cent. withholding taxes on other types of investment in France, as long as these do not result in a takeover of a French company. Even in such cases, however, revenue from such investments can be partially or totally exempted from tax if they are "in the interest of the French economy."

The other measure applies specifically to oil companies, whose special depletion allowance will be cut from 27.5 to 23.5 per cent. The oil companies have also been hit by a new accounting regulation under which the amount of provisions they can make against price rises has been reduced by a third. The consumer, on the other hand, will benefit from the abolition, at a date to be fixed, of the paraffin tax on petrol, which should lead to a slight drop in prices.

Among the other fiscal changes in today's budget are an increase of 14 per cent. in taxes on wines and spirits, a 20 per cent. rise in stamp duties, the introduction of a tax on tickets for sporting events, an increase in the tax on horse-race betting, and M. Fourcade's new invention, a doubling of VAT to 33.3 per cent. on pornographic and other films prohibited for minors.

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Schmidt to have talks on energy with Ford

By Jonathan Carr

BONN, Sept. 24. Helmut Schmidt will hold talks with President Ford and other U.S. leaders during a visit to the U.S. next week. Key topics are expected to include the impending resumption of the Paris oil and energy discussions, offset payments for the stationing of U.S. forces here—and a review of the economic prospects in both countries.

The original purpose of the Chancellor's visit was to deliver a speech to the International Chamber of Commerce in New York on October 2. He has now accepted an invitation to travel on to Washington on the following day for a meeting with President Ford and Secretary of State Henry Kissinger. Informal discussions with Treasury Secretary William Simon, and Arthur Burns, head of the Federal Reserve Board, are likely.

Herr Schmidt and the President held lengthy talks less than two months ago both in Bonn and at the European Security Conference in Helsinki. Energy and raw materials formed one major topic. With the Paris talks between producer and consuming nations scheduled to resume on October 13, Bonn is now keen to review the position with Washington.

The West Germans are to play down suggestions that a new split has opened between the U.S. and the EEC stemming from decisions endorsed at the special economic session of the United Nations which has just ended in New York.

Here the EEC did not make the same clear reservations as the U.S. in adoption of the final document, which is widely seen as a kind of preliminary agenda for world economic reform. In particular, the West Germans at the last moment dropped their opposition to the idea of a formal link between the creation of new Special Drawing Rights and development aid—a link the U.S. continues firmly to oppose.

However, Bonn insists it made no binding commitments to changes at total variance with U.S. policy. Instead, it stresses its belief that the session was a success insofar as the feared confrontation between the developed and developing world did not fully materialise—and that "this is a good augury for the Paris discussions."

Here, too, Bonn is relieved that the U.S. has given up its previous opposition to widening the discussion topics beyond energy matters.

On the offset issue, the question is whether West Germany is ready to continue making contributions towards the cost of stationing U.S. forces here—and if so in what form. Bonn and Washington have concluded six offset agreements since 1961—and the most recent one, with a value of DM5.9bn, paid over two years expired, on June 30.

The West German view is that the striking improvement in the U.S. balance of payments has rendered agreements of this size and scope redundant. But this does not mean that some new arrangement may not be found—possibly in a NATO rather than a bilateral context.

Income tax changes in the budget are relatively minor but are generally to the advantage of all but the very highest income groups. Income ceilings for each tax bracket have been raised by 10 per cent. and the maximum annual tax-free wage has been increased from Frs.11,400 to Frs.12,900 (about £1,300). Old-age pensioners and invalids also receive higher tax benefits.

Two new measures particularly affect foreign investments and companies. Foreign states and their central banks and financial institutions, as well as international organisations, will be exempt from the 33.3 per cent. tax levied on treasury bond interest in the case of issues specially reserved for this category of lender. They will also be exempt from paying the 33.3 and 25 per cent. withholding taxes on other types of investment in France, as long as these do not result in a takeover of a French company. Even in such cases, however, revenue from such investments can be partially or totally exempted from tax if they are "in the interest of the French economy."

The other measure applies specifically to oil companies, whose special depletion allowance will be cut from 27.5 to 23.5 per cent. The oil companies have also been hit by a new accounting regulation under which the amount of provisions they can make against price rises has been reduced by a third. The consumer, on the other hand, will benefit from the abolition, at a date to be fixed, of the paraffin tax on petrol, which should lead to a slight drop in prices.

Among the other fiscal changes in today's budget are an increase of 14 per cent. in taxes on wines and spirits, a 20 per cent. rise in stamp duties, the introduction of a tax on tickets for sporting events, an increase in the tax on horse-race betting, and M. Fourcade's new invention, a doubling of VAT to 33.3 per cent. on pornographic and other films prohibited for minors.

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Portugal referendum urged on future role of military

BY JANE BERGERON

LISBON, Sept.

IN A TOUGH statement upon his return to Portuguese politics after a long absence due to ill health, Dr. Francisco Sá Carneiro, the former leader of the Popular Democratic Party (PPD), today called for a referendum on what the role of the military should be in Portugal, after a wide national debate on the issue.

Dr. Sá Carneiro, likely to be re-elected Secretary-General of the country's second largest political party next week-end at a party conference, has spoken out strongly against the Armed Forces Movement's (AFM) involvement in politics—and for a similar return of ex-General Spínola to Portugal—after distribution of the arms to extreme Leftist militants. The importance of the people's will expressed by secret ballot. The Armed Forces Movement does not have this kind of legitimacy," he said. "If after own units to extreme Leftist brigades has not a total absence of state the security forces cope with this incident."

Assiduously avoiding the label of a Right-wing influence on the party, Dr. Sá Carneiro said soldiers who wanted to be politicians should drop their military careers, while politicians and parties who believed in armed struggle should leave the political stage and enrol in the armed forces.

Further light was shed today on the disappearance of weapons from a delivery to military headquarters last week, by an Army captain who had hijacked the consignment and had now gone underground after distributing the arms to extreme Leftist militants. The importance of the people's will expressed by secret ballot. The Armed Forces Movement does not have this kind of legitimacy," he said. "If after own units to extreme Leftist brigades has not a total absence of state the security forces cope with this incident."

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BY NICHOLAS COLCHESTER, Bonn Correspondent

The British embassy in Bonn is no example of special extravagance. It is one of the most important embassies in a foreign service that is overstated across the board and which is suffering from a surfeit of officers at councillor level. Unlike the British Army, or the American foreign service, the British foreign service has no fixed procedure of "promoting out" those who have not reached a certain rank by a certain age. As a result the post-war base of the pyramid is now trying unhappily to feel like the peak in a profession whose natural law is increasingly that of the inferior.

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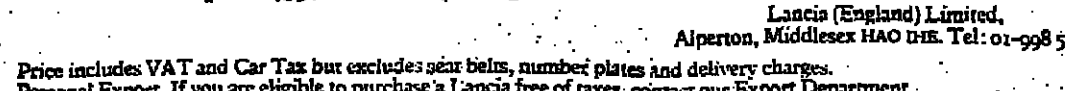
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HOME NEWS

Bank of England to outline new supervision rules

BY MICHAEL BLANDEN

FURTHER TALKS are to take place between the Bank of England and the clearing banks to hammer out technical details of the new supervisory rules being established by the Bank.

The talks are aimed to work out the nuts and bolts of the arrangements following the clearing banks' agreement for the first time to submit to detailed annual examination of their accounts. This is in line with the Bank's more comprehensive arrangements for keeping an eye on the operations of all U.K. banks.

General guidelines which the Bank expects to follow in exercising its new powers were published in a paper in its recent Quarterly Bulletin, setting out the conclusions of a working party established by the Bank and the London and Scottish clearing banks. The keynote of this paper, however, was flexibility within the general principles laid down, and there will have to be considerably more detailed work to fill in the specific regulations.

This work, it is understood, is being carried out jointly at a technical level. It is expected that past clearing bank balance sheets will be examined with a view to establishing both the form in which information should be presented to enable the authorities to fulfil their function, and the kind of rules which may be applied. It could include further consideration of the rules to be applied generally as well as those relating to the clearing banks.

Property

In the Bulletin paper, it was stressed that the rules set out there were only general guidelines. But it was expected that over time it should be possible to develop "broad numerical standards or the different groups of banks which may be used as yardsticks."

It is understood that some clearing banks remain concerned over the details which have to be filled in. One example is provided by the proposed treatment of banks' own investment in property, particularly their branches. In principle, its value has to be deducted before arriving at a bank's "free capital"—one of the main bases for assessment of their balance sheet.

Special arrangements are being made for the clearing banks, however, on the grounds that the spread of their investment in property over a large number of relatively small branches makes it more liquid than most property investments. It will have to be decided what allowance should be made in individual cases for this factor. And some bankers are still concerned over the whole principle involved in disallowing capital which supports premises as part of the funds available to back the bank's general lending business.

It will also be necessary over time to fill in details of the assessment of the risks involved in particular types of asset, where at present only very broad categories have been described—those which are risk-free such as cash and advances to U.K. listed banks and those which are subject to either credit risks or "forced sale" risks, or both.

At present, moreover, only general guidelines have been given of the proposed approach to the question of assessing a bank's "liquidity" position, regarded as one of the most important points in considering its solvency.

MPs urged to block phasing out direct-grant schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

AN APPEAL to Parliament to shelve the Government's phasing-out of the semi-independent direct-grant schools was made yesterday by Father Patrick Barry in his chairman's address to the Headmasters' Conference meeting in Manchester.

If the phasing-out went ahead after a Commons debate in November, the financial cost to the nation would "certainly be considerable," Father Barry told the meeting of independent and direct-grant school headmasters. The cost would be "crippling" under the party political arena and encourage a co-operative relationship between the State and the private school sectors. He also called for urgent consideration of a system of vouchers which parents could use to send their children to schools of their choice.

"With suitable tax provisions," he said, "a voucher system can and should be of much greater benefit to the lower income groups than to the higher."

Dr. John Rae, head of Westminster School, told the Manchester Luncheon Club yesterday that parents of independent school pupils could look forward to a slowing down of the rate of fee increases over the coming years.

"Of course this will depend on the success of the Government measures," he added, "but if they fail it will be the country whose survival we are concerned with rather than the schools."

Economic pressures

Dr. Rae predicted that economic pressures would cause parents to switch their children from the independent to the State system at different stages of their school career.

"For example, a parent may send his child to an independent preparatory school, then to the local comprehensive at 13-16, then to the sixth-form of a public school for A-level and university entrance," he said.

"These changes will cause difficulties for the schools, but if we look beyond the difficulties, the gains for the pupils, the parents, the schools themselves, and the nation as a whole are considerable."

Watch social effects of your policies, multinationals told

BY ROY LEVINE

A CALL for the leaders of multinational companies to respond urgently to social expectations and human needs was made by Mr. John Humble, a management consultant, whose new book "The Responsible Multinational Enterprise" was published in London yesterday.

Presenting a ten-point action plan for multinationals, Mr. Humble said that in the second half of this century, society would judge multinationals on their social as well as their economic performance. "These are inextricably linked and we will have social reports to match our annual reports in a few years."

Although multinationals had been the villains in the past, he believed they would emerge stronger provided they were eager to reform where legitimate failings had been demonstrated.

The book is his third published by The Foundation for Business Responsibility and follows "Management by Objectives and Social Responsibility Audit."

Mr. Humble said that a lot of the criticism of multinationals arose out of ignorance. Most of the companies were good corporate citizens but the actions of a few had brought them all a bad name.

One result was that "home Governments had over-reacted and imposed too many controls."

and uncertainties. It was not surprising, therefore, that two-thirds of multinational investments were in developed countries—a proportion that could increase.

If encouraged, the multinationals could become the main instruments for creating wealth in developing nations. What was needed was some form of international control over them poorer."

SCHERING AG

BERLIN & BERGKAMEN/WESTFALEN
(Pharmaceuticals, Plant Protection Agents, etc.)

GOOD EXPORT POSITION A CONTINUED GROWTH

Review

In 1974 the turnover of SCHERING AG advanced by 15.7 per cent over the previous year to DM1,059m, thus for the first time exceeding the DM1,000m mark. Export sales went up by 15.4 per cent, raising the export share of turnover to almost 60 per cent. Worldwide, the SCHERING Group's turnover rose by 15.2 per cent to DM1,718m. All product branches shared in the business expansion, but progress was particularly gratifying for plant protection agents, electroplating, industrial chemicals, adhesives and building protection products.

Overall turnover rose further in the first months of the current year, although at a distinctly slower rate than in 1974.

Large Projects Completed

As the first large projects to be completed in Berlin under the long term investment programme, the company occupied the modern central packing and warehousing building, and the new administration block and the toxicology department centre. Additions to fixed assets during the year totalled DM194m, with the Berlin factories accounting for DM144m. At Bergkamen and Wolfenbützel extensions were made to the production facilities for pharmaceuticals, industrial chemicals and plant protection products. The capital expenditure was covered as to 76 per cent by depreciations of DM147m.

Activities

Pharmaceuticals: The Group's turnover in pharmaceuticals climbed in 1974 to DM890.4m, or by 6 per cent above that for the previous year. The total comprising also the sales of the wholly-owned subsidiary, Asche AG, ranking capital of DM250m. In addition, Schering is a domestic business. The market position within the EEC was well maintained; in the U.K. the overall market share was increased owing to the Company's strong position in the oral contraceptive field.

Plant protection agents: Under the impetus of favourable foreign business the Group turnover in plant protection products continued to rise in 1974, reaching DM246.4m, an increase of 29.4 per cent over the previous year. The SCHERING subsidiaries in the EEC countries showed a particularly satisfactory development and above average growth rates were achieved in the Eastern bloc countries.

Electroplating: Group turnover in this sector advanced by 29.2 per cent to DM97.8m, with business abroad showing a distinctly higher growth rate than that at home. Part of the turnover expansion was due to increased prices of metals and metal-dependent products being T. Witt, Berlin.

Industrial Chemicals: An upswing in sales of 26.4 per cent led to a Group turnover of DM334.4m, the total comprising also the turnover of the wholly-owned subsidiaries Isor, Hans-Jürgen Hamann, Be, Rabolt Chemie GmbH, Munich, Dr. rer. nat. Heinz Hart and Lechle, Chemie GmbH, Berlin, Diplom-Volkswagen, Stuttgart. The steep rate of turnover increases, notably for synthetic resins and organo-metallic compounds, were Ing. Horst Witzel, Berlin.

Employees

At the end of 1974 the SCHERING Group had 1,666 employees on its payroll, or more than a 3 per cent increase. Of the total, 801 were employed in Berlin, including 5,600 in West Germany, the modest manpower expansion, wages, salaries, bonus and social security contributions went up by over 16 per cent.

Supervisory Board (Aufsichtsrat)

Dr. rer. Edgar von Schöppen, Falkenstein/Ts., Chairman; Dr. rer. pol. Wilh. Königstein/Ts., Dr. rer. jur. B. Brands, Düsseldorf (dec. 29.9.1974); Peter Erika, Rudolf, Wilhelm, Ernst, Kaltenbach, Ernst, Prof. Dr. rer. nat. J. Witt, Berlin.

Board of Management (Vorstand)

Dr. Herbert Asmis, Berlin, Chairman; Christian Bruhn, Be, Hans-Jürgen Hamann, Be, Rabolt Chemie GmbH, Munich, Dr. rer. nat. Heinz Hart and Lechle, Chemie GmbH, Berlin, Diplom-Volkswagen, Stuttgart. The steep rate of turnover increases, notably for synthetic resins and organo-metallic compounds, were Ing. Horst Witzel, Berlin.

Mrs. Castle to upgrade social work director

BY DONALD MACLEAN

THE SOCIAL WORK side of the Department of Health and Social Security is to have a higher rating, Mrs. Barbara Castle, Social Services Secretary, stressed in a speech prepared for a London conference on Communicable Social Work yesterday.

The job of director of social work service, which has been graded two ranks below that of the chief medical officer, is being upgraded, and is being advertised at a higher salary.

The new director will have direct access to the Minister, like the CMO, and will form part of Mrs. Castle's central planning team.

"The crucial importance" of social work was "at last being recognised," Mrs. Castle said in the speech, which, however, had to be delivered in her absence.

The last aim of social policy, Mrs. Castle's speech argued, must be to "isolate us in our own little boxed-up fortresses." The keynote of her address was communication, and it would not be a bad thing to start by communicating with the "people next door."

It would be a tragedy if the result of social progress were to destroy old "real" communities without putting new ones in their place.

The Secretary "utterly" repudiated the idea which had been launched that the present lack of resources meant it was necessary to repeal some social legislation. For example, the Chronically Sick and Disabled Persons Act.

The battle against inflation would be won by sharing resources more intelligently, not by being negative.

● The present post of Director of Social Work Services carries a salary of £12,000, against the Chief Medical Officer's £17,175. The new Social Work Services post will be at £14,000.

BR eases 'anti-vandal' rule

NO RESTRICTIONS will be put on the sale of Awayday tickets on Saturday, British Rail announced.

This will be the first Saturday since August 30 that the restrictions imposed to deter football vandals have been lifted throughout the country.

But some restrictions will continue to apply in specific areas on future Saturdays, and the ban on football specials remains.

"On Saturday next, those clubs whose supporters have caused the most trouble are either at home or in local matches," a BR spokesman said. "But we are still reviewing the situation from week to week according to the fixture list."

Concorde: call for overlord

By Michael Donne, Aerospace Correspondent

By Michael Donne, Aerospace Correspondent

A CALL for a special Minister to be appointed to direct the worldwide negotiations on Concorde air routes was made by Lord Orr-Ewing yesterday in the Lords.

He pointed out that time was now short if services were to begin in the New Year as planned, and there would have to be some tough "horse trading" with some countries.

In all, 15 countries were involved, and included a number of Government departments as well as the manufacturers and British Airways.

Lord Beswick, Minister of State, Aerospace, agreed that the negotiations were complex, but he was not certain they needed a single "overlord" Minister.

He remained confident the necessary arrangements would be reached in time to enable Concorde to start services as planned, but thought it would be better to continue the negotiations in the manner pursued so far.

It was announced by the Industry Department that the French pre-production Concorde, 02, would fly to Canada to take part in the opening ceremonies of the new Mirabel Airport, Montreal, next week.

It would fly to Canada, from Paris, via London, carrying Mr. Marcel Cavallé, French Transport Minister, and Mr. Clinton Davis, U.K. Parliamentary Under-Secretary, Trade.

Textile troubles behind George Kent closure

BY CHRISTOPHER LORENZ

THE TROUBLES of the textile industry were blamed yesterday for George Kent's decision to close a Manchester factory employing 240 people, nearly half of them women.

Kent, which last year became a 49 per cent subsidiary of the Swiss Brown Boveri concern after a controversial takeover battle with GEC, said that the factory was entirely devoted to making instrumentation for Ernest Scragg, the textile machinery group whose severe difficulties resulted this summer in its takeover by Stone-Platt Industries.

The move should not be taken as the first in a general round of redundancies in the group economic situation made this Kent said. It was an isolated case caused by the factory's special trading situation.

All the employees had been offered jobs at Kent's new factory in St. Neots, near Bedford, but few of them seemed to be interested, partly because many were married women.

Suggestions that Brown Boveri had committed itself to no redundancies were denied by Kent, which said the plant had been that the takeover would not cause redundancies.

Manchester closure was due to the plant's lack of business, great lengths to see whether other work could be transferred there, but the "international" situation made this impossible.

August fire bill doubles to 1975 peak of £27m.

BY ERIC SHORT

A FIRE at a motor vehicle spare parts depot in Coventry which caused an estimated £7m. damage, boosted the total fire damage bill for August to £27.4m., the worst month so far this year and nearly double the cost of August last year.

This fire was the most expensive claim recorded in the U.K. apart from the Flitborough explosion. There were three other fires during the month where the damage was estimated to exceed £1m.—a chalk and cheese contrast with the cost of the Midlands food warehouse in South East England and a retail store in London. In addition there were 25 fires at places used by the public—shops, schools and hotels—where the damage in each case exceeded £20,000.

The August figures mean that total fire damage so far this year amounts to £139.8m., compared with £159.4m. for the corresponding period last year, when the figures included the cost of the Flitborough. However, damage over the 13 months to the end of August, at £217m. is at the same level as the cost over the previous 12 months. Since the latter figures also included the cost of the Flitborough, the evidence is that the cost of fire damage is still on an upward trend.

Newcastle aims to save £1.2m.

By Donald Maclean

AN EFFICIENCY drive by Newcastle-upon-Tyne will reduce the city's expenditure by some £1.2m this financial year, under plans drawn up against the background of the Government's restrictions on local authority real expenditure.

The savings accounts for more than 2 per cent of the expenditure budget and is part of a £1.8m. overall reduction in spending, provided by reorganising the functioning of the city's various departments.

Rationalisation of staff is outlined to save £0.7m. without causing redundancies, and at the same time to provide an extra 160 jobs for Newcastle school leavers.

The efficiency drive, it is said, will not appreciably reduce services.

The 160 jobs created will be in areas where there are "long-term career prospects," and will cover apprentices, clerical trainees, gardeners, labourers, careworkers and others.

The city council plans to hold a rate increase next year to that forced by inflation or incurred on spending on "vital priority services," including social services, education, and housing. The £1.8m. saving will be held over to pay for "unavoidable" areas of growth next year.

Post Office worker made £21 overtime on holiday

WHILE Mr. John Ryder-Smith, a Post Office storeman, relaxed in the North African sun, his pay packet was boosted by a £21 overtime payment. For he had claimed the money—for four hours' work—when in fact he was on holiday in Tunisia with his wife, Mr. Ernest Ridgeway, alleged for the prosecution at London's Marlborough Street Court yesterday.

Mr. Ryder-Smith, based at London's Western District Post Office, pleaded guilty to making a dishonest claim and was given a six-month suspended prison sentence and ordered to repay the money.

Miss Joanna Greenberg, defending, said the offence arose from a "quite horrifying" system of overtime payment to postal workers. Mr. Ryder-Smith, who earned £2,950 a year, did not feel morally guilty, she said.

"A system has grown up between middle management and ordinary postal workers whereby frequently overtime money is paid out when in fact it is done during normal duties."

"Most people in the Post Office are grossly underworked and can therefore obtain overtime payments in their shift normal duties," Miss Greenberg explained.

Hauliers drop buying plan

THE ROAD HAULAGE Association yesterday dropped plans to form a buying co-operative among members and to set up a register of hauliers vetted for financial stability.

The scheme was proposed to fight the insecurity which has plagued the industry with the downturn in industrial activity. It was felt that a co-operative venture would help the RHA's smaller and more vulnerable members.

The RHA council, however, rejected the plan on the basis of unfavourable legal advice. It was felt that the measures would conflict with the legislation on fair trading and restrictive practices.

New Guernsey inflation drive

By Our Own Correspondent

GUERNSEY'S ADVISORY and Finance Committee is to renew its efforts to find a local counter-inflation policy.

This was decided yesterday, when island MPs unanimously refused to accept the resignation of the committee's president, Mr. Edward Collas, Guernsey's "Chancellor," since 1968.

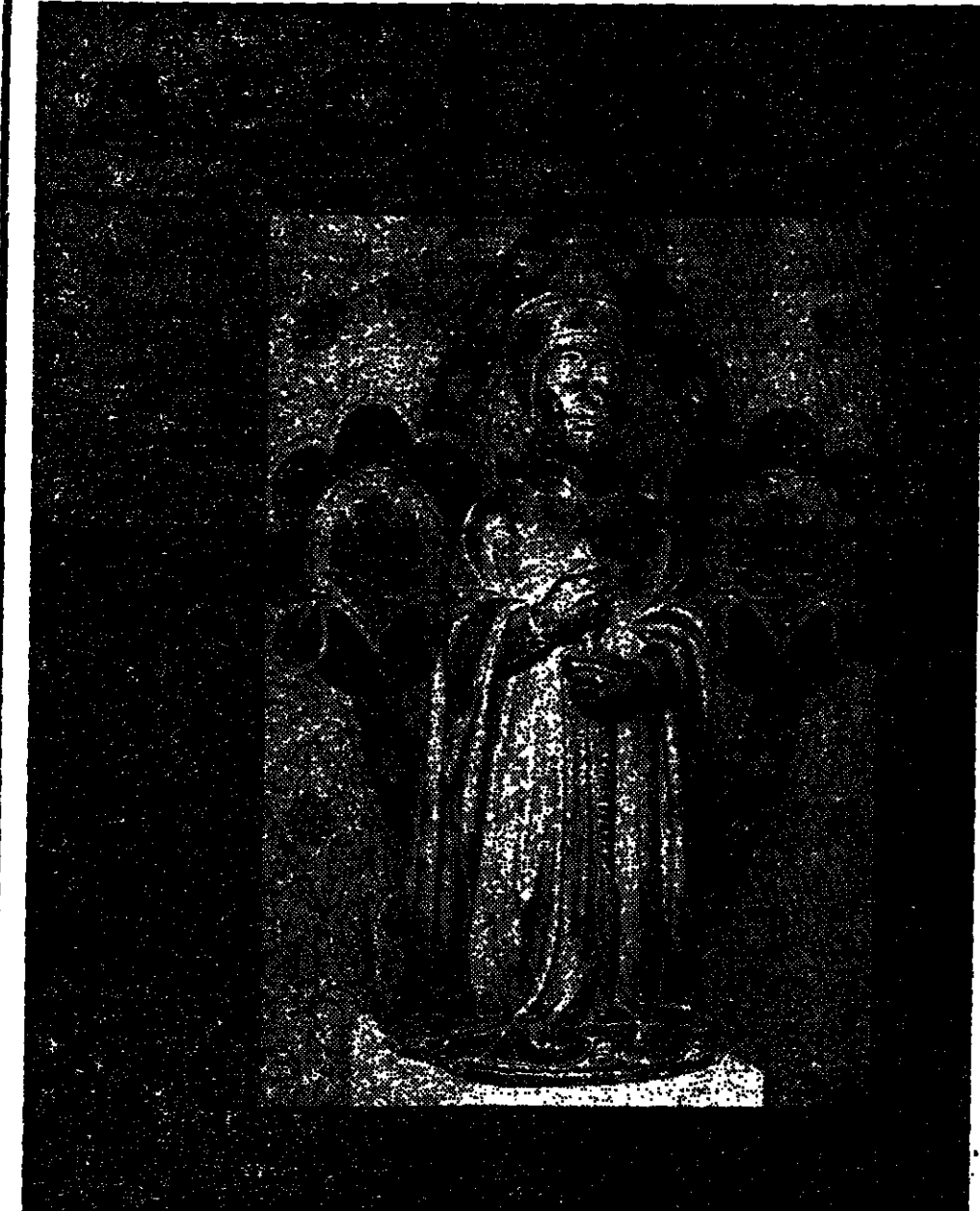
It was made clear that Mr. Collas had decided to resign after a recent 14 per cent Civil Service pay award when a 16 per cent limit, in line with the U.K. White Paper, was being considered for the island.

Birmingham for 1978 motor show

BY OUR MIDLANDS CORRESPONDENT

THE INTERNATIONAL motor change of venue if an annual show will be staged at Birmingham's new £25m. National Exhibition Centre in 1978 following agreement with the Society of Motor Manufacturers and Traders and Sterling Guarantee Trust, owners of Earls Court, London, where the show has been held for the past 38 years.

Earls Court is to be re-shaped and modernised, necessitating a journey from London via a new station linked to the exhibition site.



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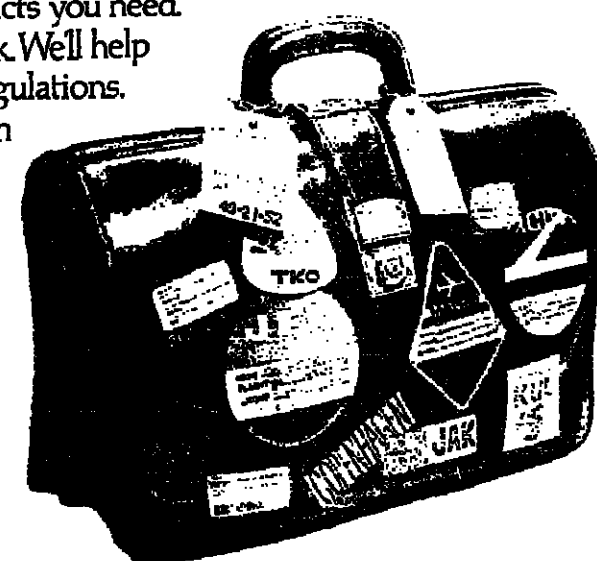
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HOME NEWS

Resist £6 strikes, CBI leader urges companies

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

INDUSTRIAL leaders were urged yesterday to "stand up to strikes and disruption" if that proved to be the price of adhering to the Government's £6-a-week wage limit this year.

In a tough speech to the Confederation of British Industry Scottish members in Glasgow, CBI Director General Mr. Campbell Adamson said companies must do all they could to see the pay limit was held.

He forcefully contradicted the interpretation of the Government's anti-inflation policy by repeating that the £6 was not an automatic entitlement but a maximum within which to negotiate.

By no means all companies will settle for the full £6. The indications so far are that many companies will not be able to do so and do not propose to, he commented.

If the £6 limit became regarded

More Home News on Page 15

Building society bonus scheme

BY MICHAEL CASSELL

THE CITY of London Building Society is to introduce an investment share scheme, designed to increase the investors' chances of protecting their savings from inflation.

The scheme will take effect from October 1 and involves a minimum investment of £500 per person and a maximum of £10,000 for a period of 18 months or three years.

Under the plan, the investor will receive a basic dividend, paid on credited each six months—the rate from October 1 will be 7.5 per cent. net—and in addition his savings will attract an increment that will be added to the balance at the end of the chosen term. The increment will only be paid to investors who do not make any withdrawal during the stipulated period.

Mr. Anthony Trollope, managing director of the City of London, said yesterday that the scheme represented a major bid to stabilise the society's investment position and to provide longer-term investors with "some significant reward towards correcting the loss of purchasing value of their capital."

Mr. Trollope, who said that about 1,500 of the society's 16,000 investors had already indicated their wish to take advantage of the new scheme, explained that the increment element would be stored up and only credited to the investor at the end of the term involved.

He added: "The dividend payable on increment shares will,

'Laws alone will not cure racial bias problem'

FINANCIAL TIMES REPORTER

THE LAW alone will not be enough to solve problems of racial discrimination, Mr. David Stephen, director of the Runnymede Trust, said in London yesterday.

Introducing a guide by the Trust to the Government's White Paper on racial discrimination, he said the administration deserved full support for its proposals.

However, in addition to legislation, the Government had to blend three other elements of policy—Government leadership, community relations work, and inner-city deprivation. He conceded that establishing "the right mix" was a difficult question.

The Government needed to enlist the full support and participation of the minority communities and "at least the understanding and at best the sympathy of the white majority."

In the trust's publication, Mr.

tion to single figures by the end of next year.

"So it must be wholeheartedly adhered to by industry even if it means standing up to strikes and disruption."

The policy could not be regarded as one for 12 months only implying a return to the "damaging" consequences of free collective bargaining next year.

We cannot open the floodgates again next August. The country would need a further period of restraint probably lasting for a year after next August.

Commenting on yesterday's Government package for relieving unemployment this winter, Mr. Adamson said the measures would have a "small effect" on total jobs figures. "We have got to be content with these fringe measures while we beat inflation into the ground."

ment share investment over three years would attract the current rate of basic dividend of 7.5 per cent. net and a 2.5 per cent. increment. This would provide a net terminal yield of 8.36 per cent., grossed up to 12.86 per cent.

Rolls-Royce to cut 400 jobs

By Michael Donne, Aerospace Correspondent

ROLLS-ROYCE (1971) is to reduce the labour force at its Derby Engine Division factories by another 400 production workers on top of 2,000 job cuts announced earlier this year.

The company said yesterday that its forecasts of work for next year had proved too high in the light of world oil and military market conditions. As a result, it would need fewer direct production workers than expected.

The aim would be to avoid redundancy with reductions being achieved through natural wastage, early retirement and other measures.

But the company also pointed out that it was not possible to predict the level of future orders, and "the situation may deteriorate further."

The company's problem is that slackness in civil airline markets has meant a reduced demand for engines. The further cut of 400 workers will be spread as widely as possible over the Division's factories at Derby, Hucknall, (Leicestershire), Hillingdon, and East Kilbride in Scotland and Dundonald in Northern Ireland.

The jobs of 80 shoe workers at Kighat and Lawrence, of Rushden, Northants, which were in jeopardy because of trading difficulties, have been following a take-over for an undisclosed sum by Dalco footwear group of neighbouring Wellingborough.

Man-made fibre output falls

Financial Times Reporter

U.K. OUTPUT of man-made fibre in August was at its lowest level since December 1974, according to figures released yesterday by the British Man-Made Fibre Federation.

They show a total output of 40.77 m.kg. for the month, down from 47.04 m.kg. in July, indicating a further downturn in activity following the post-summer lull.

They show a total output of 40.77 m.kg. for the month, down from 47.04 m.kg. in July, indicating a further downturn in activity following the post-summer lull.

Total output of man-made fibres in the first eight months of 1975 was 365.70 m.kg., 19.3 per cent. down on the corresponding period of last year.

The over-summer lull in man-made fibres, yarns and fabrics also deteriorated in July. Imports in that month amounted to £33m. against exports of £29m.

Government air policy 'could cost BCAL £300m. by 1984'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN, the independent airline which is to be deprived of its North Atlantic routes under the Government's new policy for civil aviation, said yesterday those plans could cost it more than £300m. in lost revenues over the next nine years.

In a strongly-worded statement by Mr. Adam Thomson, chairman, the airline said that outside the airline industry it was not realised how far the plans announced earlier this summer, by Mr. Peter Shore, Trade Secretary, were intended to go, and how fundamentally and irreversibly they would "alter the course and success of the private sector."

The new policy envisages a "spheres of influence" situation in which British Airways and BCAL would each have specific areas of interest round the world, with BCAL being prevented from operating any North Atlantic services.

Neither side appears to want the Shore policy. BA is opposed to it, the unions are openly antagonistic, and BCAL is claiming it will do it immense financial damage.

BCAL's own statement yesterday was especially outspoken. "The new policy, if implemented without change, could cost BCAL over £300m. in lost revenues during the period 1975

to 1984," said Mr. Thomson, "and the larger proportion of this projected revenue would be lost to British Airways."

Quite clearly, BCAL must fight hard for routes inside the spheres of influence policy of a value close to those we are being asked to give up—in other words, a quid pro quo.

BCAL, he added, was not a policy although it also believed in a measure of "double designation"—two British flag airlines on certain routes, airlines on certain routes, should also be retained as a principal for the future.

But Mr. Shore appeared to want to end for all time any competition between the State and the private sector on long-haul routes.

Thailand last year, BCAL's future was mapped out. "Certainly loss of these routes would mean there would be setbacks on the way, but our 10-year plan," he said, "showed a gradual introduction of routes for which we had obtained licences from the Civil Aviation Authority."

A network of scheduled services covering Canada, the East and West coasts of the U.S. and the U.S. Southern States, South America, our total to force a sphere of influence in West Africa, and once policy scheduled services to Singapore also concern.

via Bahrain, were to have provided for our long-term healthy development. In addition, our domestic route networks would be our European and domestic route networks.

But on present Government planning we will lose our licences to operate to New York, Chicago, Los Angeles, Toronto, Bahrain and Singapore.

"Atlanta and Houston are not double designation routes and no other British airline serves or has a right to serve these important points. BCAL maintains it should not be forced to give up its licences."

What is, apparently, not understood today is that many sectors of industry at large, and certainly civil aviation, cannot change carefully planned direction at the drop of a hat.

BCAL's long-term strategy envisages revenues from the routes under threat. The loss of these routes would mean the loss of over £300m. revenue, but our 10-year plan, he said, showed a gradual introduction of routes for which we had obtained licences from the Civil Aviation Authority.

A network of scheduled services covering Canada, the East and West coasts of the U.S. and the U.S. Southern States, South America, our total to force a sphere of influence in West Africa, and once policy scheduled services to Singapore also concern.

'Closed shop threat to journals'

BY LORNE BARLING

THE EXISTENCE of a great many specialist and professional magazines would be threatened by the introduction of a "closed shop" in journalism, the Periodical Publishers Association told the Royal Commission on the Press in London yesterday.

Legislation which would include editors in the closed shop, according to the PPA's evidence given by Mr. Marcus Morris, would pose a three-fold threat to the editorial freedom of periodicals.

First, it would prevent an editor who was expelled from a closed shop from setting a job in any other closed shop. Although there was a provision that journalists "should not be unreasonably expelled from a union," it was doubtful what protection this would have.

Second, the closed shop would severely restrict the editor's freedom of choice of contributors if he was allowed only to use union members. If this happened, many magazines would not survive. They rely for their existence

on the contributions of experts in the particular field in which they deal—doctors, engineers, scientists—who are not and cannot become members of the NUT, because journalism is not the main source of their income," Mr. Morris explained.

Finally, the closed shop would severely restrict the publisher's choice in appointing a new editor. Overall, it would be wrong for one monopoly trade union to act as a censor of the Press, he added.

Earlier, the chairman of the Association of District Councils, Commander Duncan Lock, said he felt that the Press tended to concentrate on the more sensational items of local authority news, but appreciated that news had to be presented in such a way that the public bought newspapers.

Asked by one of the Commission panel whether he was speaking of the Association of Birmingham Post, County Councils, said there was too much inaccuracy in local news to have a daily which only comes out five out of six days. "It is unfortunate if the Birmingham Post does have to go."

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Fears over Assembly legislation dismissed

By Chris Baur, Scottish Correspondent

THE SCOTTISH Assembly which the Government proposes to establish in Edinburgh will cause Scottish nationalism to "wither away" Mr. Ted Short, Minister in charge of devolution policy, said yesterday.

He rejected recent warnings that the devolution package might be "talked out" in a hostile House of Commons and predicted that a failure to complete the legislation would "lead to the break-up of the U.K. inside a decade."

Speaking in Glasgow over two days of talks with Scottish Office representatives and Labour Party colleagues Mr. Short agreed that the Assembly members on which a new White Paper is to be published in mid-November—would be difficult to pilot through Parliament.

It would be a very long and complicated measure, he said, and would be "by far the most important constitutional Bill put before Parliament since 1801." But he dismissed fears expressed by leading Labour Party devolutionists in Scotland that the Assembly legislation would meet determined opposition in the Commons and might not get through Parliament.

"I do give this assurance to Scotland that we will get it through Parliament as quickly as is reasonably possible," he said. Mr. Short reminded dissenting Labour MPs that the party was "committed in the clearest terms" to establishing legislative assemblies in Scotland and Wales. Every Labour MP was elected on that "clear and specific promise."

500 redundant at textile plant

Financial Times Reporter

ABOUT 500 workers at the Donaldson Textiles plant at Lornish, Scotland, part of Coats Patons knitwear division, are to be made redundant over the next three to four months because of falling demand and escalating costs.

Mr. Donnan said that its Donbros sales office, warehouse and administration would also be transferred to the Midlands. The Driver hosiery plant at Barrow-on-Soar, near Loughborough, would be transferred to Abbey Lane, Leicester.

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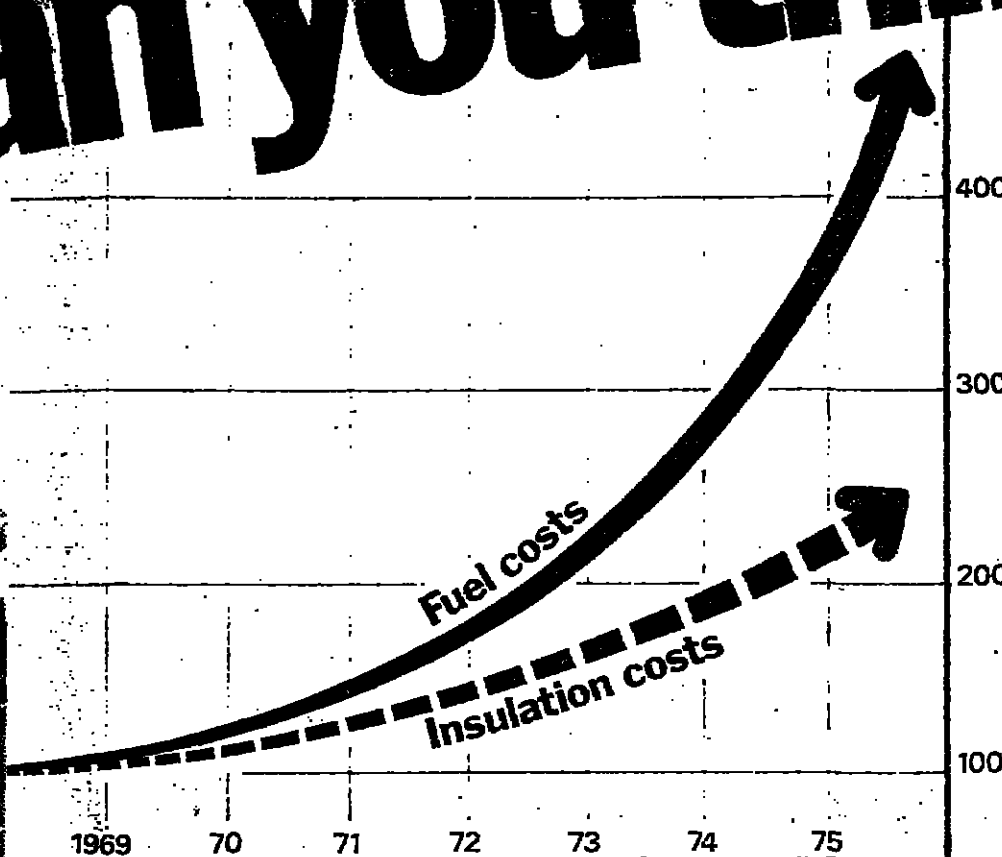
announce that all future operations in the United Kingdom will be controlled by their own company, GLOEGGLER (U.K.) Trading Company Ltd., 67, Ditching Lane, London EC1A 3JF. The company was recently founded and is based at 47-50 G. Marlborough St., London, W1P 1DE. Tel: 01-734 5521/2.

LOCKWOOD

UML



MORLANDS



TRENDS IN AVERAGE FUEL AND INSULATION COSTS

Lockwood: 10 months Morlands: 12 months UML: 19 months

Not so long ago, it seems, no one worried too much about a factory being under-insulated—or even not being insulated at all. Heat lost through pipe, process or roof was not that costly.

But those days are dead and gone. Steeply rising fuel costs are prompting more and more firms to check just how soon insulation programmes will pay their way.

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On this page, we give some examples of companies who have shown that insulation costs can be

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LOCKWOOD

Estimated payback period: 10 months

At Lockwood Foods' factory in Long Sutton, Lincolnshire, a 90-foot high 'steam chest' is used to cook and sterilise canned foods.

Recently, the top dome of this chest (top left) has been insulated with a glass fibre quilt encasing 2" thick pliable rock wool. The vertical faces of the chest have also been insulated with 2" rock wool slab clad in 20 gauge aluminium sheeting.

Capital outlay: £1,600 – payback period: estimated as 10 months.

MORLANDS

Estimated payback period: 12 months

Heavy fuel oil in two 20,000-gallon storage tanks at Morlands' tannery in Redruth, Cornwall, needs to be heated 24 hours a day.

Last year the tanks were lagged with 2" rock wool slabs and aluminium sheet at a capital cost of £1,780. This investment is being recovered in just over a year.

UML

Estimated payback period: 19 months

Edible oil stored in a 7,000 tonne tank by UML Limited, the Unilever Services Company in Bebington, Wirral, has to be heated to remain liquid for delivery.

Previously the company estimated that the cost of heating did not justify lagging the tank, but now glass fibre insulation and corrugated aluminium cladding (capital cost £9,500) is saving £6,000 a year.

Four other storage tanks are now being insulated.

DEPARTMENT OF ENERGY.

SAVE IT

FINANCIAL TIMES REPORT

Thursday September 25 1975

هكذا من الأصل

STAINLESS STEEL

Plans for doubling the production capacity of stainless steel in the U.K. have run into severe problems because both the public and private sectors of the industry have run into their worst-ever recession. Even so the BSC is continuing with its spending of £100m.

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can keep
our
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MORE than a year ago British Steel Corporation launched the details of a major investment programme aimed at more than doubling its production capacity of stainless steel in the U.K. Now both the public and private sectors of the industry are in the throes of a worst recession they have experienced. Nevertheless, the BSC has kept its investment programme on track, pushing ahead with its £100m. of capital expenditure and has kept its production capacity at the same level as in the longer-term recession in this country. Twelve months ago it was to see why the BSC had to for an expansionist investment strategy in this product area. First, it has held a consistently high proportion of the U.K. market—40 per cent. or more in some cases—because of the BSC's low production costs. A similar situation applies in the private sector. It was therefore not surprising that there was some scope for import substitution, given assured supply, better prices and some promise of stability. In addition, the Corporation

could see that consumption of stainless steel per capita in the U.K. is only half that in France, Italy, Germany and the U.S. In part this is due to the fact that the fabricators in the business are too small to create new markets. The BSC therefore determined to step up its production of stainless steel in cold rolled sheet and coil form from its 1974 level of 70,000 tonnes a year to 140,000 tonnes a year by 1981. During the same period it decided to raise its output of hot-rolled stainless steel plate from 30,000 tonnes to 60,000 tonnes a year.

But it also felt that the market had to be stimulated, if this extra output was to be taken up. Without some additional effort, the market for sheet and coil would probably rise to only some 32,000 tonnes, insufficient to justify its planned investment, and imports would have to fill the gap.

The Corporation is still convinced, however, that it can move home demand up to a level of some 120,000 tonnes and 140,000 tonnes fairly quickly, and take all of the growth itself, through a combination of a £20m. sales and promotion drive and direct help to the fabricators in the design and production engineering fields.

Over the past 12 months the BSC has set its stainless steel development strategy in motion. A substantial project for the installation of stainless steel-making and continuous casting facilities and ancillary services has been started at Tinsley Park, at an estimated cost of £41m.

A three-stage development is under way at the Corporation's Shepcote Lane works in Sheffield, which will eventually provide a new 1.5 metre Sandzimir mill, improvements to the cold

rolling and finishing capacity there and the provision of a second 1.5 metre Sandzimir mill and associated plant and equipment. The three stages will cost about £52m. And finally a start has been made on the improvement of the stainless steel plate finishing facilities at Shepcote Lane.

Stainless steel sheet manufacturers, particularly the BSC, were the first to feel the effects of the recession and destocking has been taking place on a large scale for well over a year now, partly because of the relatively high costs of the material.

As far as sheet is concerned, this destocking process appears to be continuing and it looks as though the whole of 1975 can be written off as a thoroughly bad year. Traditionally, the industry would have been looking for some stimulation of the demand for stainless steel sheet by the Government, through a relaxation of credit facilities on consumer durables, but this looks very unlikely at a time when the Government's first priority remains its counter-inflation policy.

Slump

It is not only the U.K. producers who have had to face a slump in orders over the past year, of course. It is a worldwide phenomenon. As a result prices have fallen as the mills fight harder to retain as many of their existing outlets as possible and capture new ones, even though the mills have been subjected to severe cost pressures and clearly need more revenue. In the U.K. this has meant an increase in imports as overseas mills scramble for business.

In the main it has been the stainless steel sheet sector of the business which has felt the worst blast from the recession, with

other sectors continuing to fare reasonably well, at least until recently.

By comparison with their counterparts on the sheet side of the business, producers engaged in energy-related activities have met more comfortable trading conditions, as have those companies concentrating on the production of stainless tubes, bars and heavy plates.

But this is only relative. At the moment the private sector's bar producers—responsible for 95 per cent. of the market for bars in the U.K.—are bracing themselves to face an anticipated marketing drive by Japanese producers in this country, and imports from Germany and Spain have also been rising.

Many of the private sector stainless steel converters have already been forced to cut back their working week by about a third and there is an obvious danger that they might have to take even more drastic action if the Japanese effort, based on very low selling prices, is successful.

It is not only the nationalised BSC which has problems, therefore, although with its main mills at Shepcote Lane operating at only half capacity for much of the year it appears to be in a worse situation than the private sector companies.

The Corporation has tried to protect its interests in several ways. Firstly, the agreement which it reached with six "aligned" (or approved) stainless steel stockholders paid dividends towards the end of 1973 and has helped during the recession, although Cashmores Glywed pulled out of the arrangement in July.

The five remaining stockholders—Brown and Tawse, Metal Centres (an Alcan subsidiary), Miles Druce (now part

of GKN Steelstock), Alfred Simpson and C. Walker continued with the arrangement whereby they agreed to take at least 80 per cent. of their stainless steel requirements from BSC, obtaining special terms in return.

Cashmores, on the other hand, felt that it should not have to take much more than 40 per cent. of its requirements from a wholly-owned subsidiary of the Corporation, and gave up its

special relationship, costing the BSC sales of an estimated 5,000 tonnes of stainless steel sheet.

The second way in which the Corporation has tried to protect itself is through the acquisition, earlier this month, of the stainless steel stockholding interests of one of the five remaining companies in its approved stock holding scheme, Alfred Simpson, a wholly-owned subsidiary of the Corporation, and gave up its

BRITAIN'S PRIVATE sector makers of stainless steel, already shuddering as much as any other part of industry under the impact of the international recession, is bracing itself for another body blow. For the Japanese producers are about to launch a major effort in the U.K. stainless steel market, an effort timed to take effect from the end of September.

Although the Japanese will be shipping stainless steel bars half way round the world, they have still been able to offer them at prices far below those that the British producers are quoting. For the small sizes the prices are only half of what the U.K. makers are charging while at the larger end the difference is around 15 per cent. Because of the depressed state of U.K. industrial activity and the reluctance of many consumers to use imported steel when they can get the quality they need from U.K. suppliers, the Japanese might not actually sell too much here. But the effect on the price structure of this part of the industry is bound to be enormous.

Despite the recession, therefore, it is easy to see that the BSC has retained its confidence in the longer-term prospects for stainless steel, as have the private sector producers, although the investment they have carried out over the last year is overshadowed by the BSC's ambitious strategy. The Corporation's task has been made more difficult by the

Harold Bolter

Private sector

It is the private sector which will bear the brunt of this particular situation because the non-nationalised companies account for around 95 per cent. of the market for stainless steel bars—which go mainly into products for the process plant industry. The private sector companies, because of this strong representation in stainless bars, are therefore responsible for around 40 per cent. of all the stainless steel made in the U.K.

There was no logical reason for this state of affairs. It is just that the nationalisation of the major part of the steel industry in 1967 was completed in such an arbitrary way. Companies above a certain size—measured by output—were earmarked for nationalisation and those below the line were left alone. Stainless steel is produced on a smaller scale than most other steels and so nearly every stainless steel manufacturer was below the "nationalisation line". Only the two biggest producers—and they made sheet stainless bars—joined the British Steel Corporation. As it happens, the economies of scale that the BSC puts such emphasis on, do

not particularly apply to stainless steel. It is made on electric arc furnaces and there is not much difference in the cost of producing on different sizes of furnaces.

The U.K. market for stainless steel bars is not large compared with other European countries. In a normal year around 35,000 tonnes might be demanded. This year, however, the recession hit stainless steel—along with the rest of the special steels sector—much earlier than other parts of industry. Consumption has been dropped by an estimated 35 to 40 per cent. this year. But the

effect on the producers has been greater than even this figure suggests. For the rush to de-stocking which has been such a feature of industrial life in recent months as companies take action to protect cash flows has meant that the offtake of stainless steel has been very low indeed.

In what was already a difficult and highly competitive market, imports are actually increasing outside the U.K. So far the West German pro-

ducers would be squeezed out by lack of demand and the ability of the home producers to offer much earlier delivery dates.

However, the overseas suppliers of stainless steel bars are offering fixed prices for delivery some time ahead, something the U.K. producers would be unwise to do in the light of the ramping inflation in Britain. This guarantee of a price which is fixed now and rest of the special steels sector will not change even if delivery is some months ahead has been the important factor in the drop in imports.

Forecasts circulating within the British Independent Steel Producers' Association give an indication of just how bad a situation might be in 1976. It is suggested that the total market for stainless steel bars next year will be of only 21,000 tonnes. Of this, imports are expected to take up to 42 per cent. with the Japanese emerging as the major suppliers from outside the U.K.

So far the West German producers have been the big

CONTINUED ON NEXT PAGE

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STAINLESS STEEL II

Key role for stockholders

THE IMPORTANCE of tonnes of sheet steel produced and the stockists, who were blamed for the flood of imports that it should be required to buy only 40 per cent of its requirements in the U.K. in renegotiate new terms, the key party is saying much about the price flexibility than it once had, the differences to-day, at least between Britain and the Continent, are insignificant. Cashmores, for example, seems to have gained no price advantage from buying from abroad since its contract with the BSC, which failed to be renewed.

The failure of the BSC-Cashmores negotiations provided yet another sign of the hard thinking that the BSC, long known to be somewhat concerned at its relative lack of direct contact with user industries in the stainless steel field, was having to do about its marketing arrangements and its relationship with stockholders. The planned purchase of Alfred Simpson is an obviously logical step, from BSC's point of view, toward re-shaping things.

Along with BSC's earlier large scale foray into stock-holding, the move matches similar ones on the Continent, where stockholders are often producers, or otherwise closely linked with steel producers. And, just as U.K. stockholders have been making strides in the Continental European market, so have overseas stockholders been active in setting up subsidiaries here, operating in both the general and special steels fields. So, for that reason too, this new link between BSC and steel stock-holding industry makes a lot of sense.

It comes at what must be an unprecedentedly difficult time for steel in general and stockholders in particular. In the first six months of the year, stockholders continued to handle a high proportion of home mills' stainless production—45.91 per cent. But that figure has meant only 13,475 tonnes in volume terms compared with 25,402 tonnes in the first half of 1974. The signs are that the second half of this year will be no better, as de-stocking (and stainless steel being such a high value material: the impetus to de-stock is a strong one) continues. Indeed, the

number of different grades of stainless steel, the custom often not known precisely, specification he requires particular end products, steel mills know what make: the stockist knows what is available from a wide range of sources, and can act as a purchasing agency. The various ancillary services offered by stockholders—ing, slitting, profiling (some even undertake cutting of thick plates), mechanical polishing, buffing and shearing—are another factor which has led to the increased share of the market well as being an area of activities which is expanding rapidly.

David W.

Deal

It is against this background that last week's news that the British Steel Corporation was, subject to the approval of the European Commission, to buy the stainless steel stockholding business of Alfred Simpson, a subsidiary of Head Wrightson, must be seen. Assuming the deal goes ahead, BSC will become the third largest stainless steel stockholder in the country, gaining a 10 per cent share of the stockists' market through a business which last year, notched up a turnover of £4.31m.

The £3m. deal is obviously an important one, and could well lead to protests from the private sector of the steel industry, which is so significant in the special steels business. At the same time, it was far from unexpected, for some time it had been fairly obvious that the State-owned Corporation, having moved into general steel stock-holding in a big way in October with its purchase of Lyle Trading (BSC already had a couple of small stockholding subsidiaries, but they were of relatively little importance), would almost certainly want to gain something more than a mere foothold on the stainless side.

The precursors to the deal go back to the start of the present decade. In 1971, importers were taking almost half the U.K. market for stainless steel sheet and strip—22,000 tons out of 54,000 tons—and were important in the remainder of the stainless sector too. British steelmills were turning out about 38,000 tons in this vitally important sector, and managing to export around 6,000 tons. Their capacity was 92,000 tons. The figures speak for themselves. Relations between the U.K. steel industry

even though the German industry is changing what its U.K. competitors consider to be "reasonable" prices. Spain is established as the number two exporter of stainless bars to the U.K. with 1,500 tonnes expected this year and some 1976. The prices charged for kind of normality could be some of the Spanish products expected to return to the U.K. have given the U.K. producers some food for thought. Against the performances of the usual private sector stainless steel exporters, the Japanese have so far hardly counted. Imports of stainless bars last year totalled only 300 tonnes. This year they will get a boost when deliveries begin at the end of September and imports might go up to 900 tonnes. Next year the forecast is for 2,000 tonnes of Japanese stainless bars to be taken by Britain.

Reports

There is very little the U.K. industry can do about this. The producers can shudder at reports that the Japanese industry over-produced to such an extent that around 17,000 tonnes of stainless steel bars have been stockpiled ready to be unloaded on world markets. But until something actually happens and the imports start to flow in, nothing can be done. The industry knows from past experience that it will take too long to investigate the situation to find out if a case alleging "dumping" can be made out and for the case to be prepared and considered by the U.K. Government. By the time that has been done, the damage to the U.K. price structure will be considerable. And the imports

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The Cashmores' situation showed several of the problems for which the BSC scheme has been criticised. For it has to some extent divided the stock-holding business into two camps—those buying from within the U.K. and those forced to go abroad for virtually all their needs, at least on the sheet side, where BSC is now the sole stockholder. BSC will, of course, sell to the so-called "non-aligned" stockists, but according to at least one major non-aligned group, is unwilling to "enter into a viable trading relationship" with them.

The key problem is that those inside the scheme, quite naturally, receive preference in deliveries when demand is high (as well as smaller bills from BSC). And this means that unless those outside have long-term arrangements with other overseas suppliers, their flow of steel can pretty well dry up.

Neither does Cashmores appear to be the only "aligned" stockist somewhat unhappy with the arrangements. Their main difficulty is the scheme's inflexibility when demand is weak. Other difficulties have also materialised—the fact, for example, that in some areas (bright annealed sheet is said to be one important example) BSC material is to different, and possibly lower, specifications than steel obtainable from abroad. On top of this there are the supply problems that have been seen in the past, when BSC has been physically unable to supply the quantities of steel contracted for without long delivery delays but the stockists have still been unable to go abroad beyond the 20 per cent even when the capacity was there, production difficulties of other sorts and specification problems have held up deliveries, smoothing the importers' task for them.

Because of this, the "loyalty" agreement has not been a conspicuous success, even though BSC's relationships with stockholders are considerably better than a few years ago. The major sign of strain came this summer, when it was revealed that Cashmores-Glynwed was leaving the scheme, and its continuation at all became a matter of doubt. Cashmores had signed a three year deal (stainless, incidentally, is the only area where BSC has been negotiating over a period determined length of time). When it came up for renewal, in April, the company tried to

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FAGERSTA

Private CONTINUED FROM PREVIOUS PAGE

exporters of stainless bars to Britain. This year imports from Germany, based on a projection made after the five-month figures, could be about 1,900 tonnes. Next year this should rise to 2,000 tonnes.

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Government plan should create 100,000 jobs

FINANCIAL TIMES REPORTER

GOVERNMENT yesterday announced a package of measures to reduce the level of unemployment by up to 100,000 jobs by the end of 1976. The package includes a range of measures to boost output, to improve the efficiency of the economy, and to create new jobs. The measures are divided into three main areas: investment, training, and restructuring. The investment measures include a new £100m fund to help small businesses, a new £50m fund to help large businesses, and a new £20m fund to help the construction industry. The training measures include a new £10m fund to help with the costs of training, and a new £5m fund to help with the costs of research and development. The restructuring measures include a new £10m fund to help with the costs of restructuring, and a new £5m fund to help with the costs of research and development.

Reflation

"Now, against this background, it is not possible for the British Chancellor to undertake the same general reflation of demand as we have seen in a number of other countries, notably Germany, France, the U.S. and Holland, and I made the reasons for this clear in the speech I made at the International Monetary Fund a month ago. The simple reason is that a general reflation of demand in Britain would suck in a great volume of imports at a time when world trade was too low to permit us to expand our exports to cover the cost, and we would have no chance of borrowing enough money to cover the resulting deficit so long as our inflation rate remains so much higher than that of other countries, and to allow an enormous increase in our balance of payments deficit at a time when we had no means of financing this increase would mean the collapse of the economy and the very rapid appearance of unemployment at the level of 2m, or 3m, as against the level of just over 1m, we have today. But within these constraints, which will remain until we not only have our inflation rate down but have convinced those whose confidence we need to command both at home and abroad that the £5 limit is actually going to work during this wage round, we are trying to do everything we possibly can to limit the increase in unemployment, and I started this in the very Budget in April this year which itself introduced some reduction in overall demand."

Assisted areas

"I made an additional £50m available for industrial training, I made £100m extra for investment in the manufacturing industry, and I made £100m extra for investment in the construction industry. I also gave notice in the Budget that we would be introducing measures to help small businesses, to help large businesses, and to help the construction industry."



Mr. Denis Healey, Chancellor of the Exchequer, comments on the Government's plans to alleviate unemployed. He is flanked by Mr. Michael Foot and Mr. Eric Varley.

than many parts of the country inside the assisted areas. That is particularly true in the Midlands and the South-East. "Secondly, we are going to spend £20m on a variety of schemes to provide jobs, particularly for younger workers, which are of social value. We have asked the Manpower Services Commission, which will be responsible for allocating this money, to concentrate on the problems of urban renewal, the centre of our great cities, and on minor works in housing, schools and hospitals which have real value to the community, and we have asked them, as far as possible, to arrange that these temporary jobs will be linked with some form of vocational training and will, where possible, be compatible with some form of further education."

Investment

"First of all, there is a set of measures whose purpose is to maintain employment or create jobs as soon as possible, before the end of the year, running through next year when we are still likely to be suffering from the effects of the world recession. Secondly, there is a batch of measures to increase investment in the manufacturing industry, so that more jobs will be available in the future, particularly in areas which have proved to be bottlenecks when recovery has been under way and prevented us in the past from taking the advantage of an increase in world demand."

"As you will now know, we are proposing to extend the application of the temporary employment subsidy over the country as a whole. The reason for that is that there are many parts of the country outside the assisted areas which are suffering from heavy unemployment. We shall also be introducing in the near future a system to encourage the recruitment of school-leavers. As you know, school-leavers have been hit more heavily by the recession this year than by any earlier recession, although I am glad to say that 40,000 of them found jobs in the last month for which employment figures were published. This scheme will give firms which take on school-leavers who are on the unemployment register a subsidy of £5 a week for each boy or girl taken on for 26 weeks."

Liberals attack 'palliative' action and urge wider recovery plan

BY JOHN HUNT

THE GOVERNMENT'S measures were strongly criticised by the Liberals last night as a mere palliative to the unemployment problem. Lord Byers, for the Liberals, maintained in the Lords that the package was merely a palliative when what was needed was a comprehensive policy for British economic recovery. He feared that the extension of the temporary employment subsidy to companies outside the assisted areas might encourage over-manning and perpetuate the uncompetitiveness of British industry.

The Canadians, he said, had managed to create 100,000 new jobs by the expenditure of £200m. He suggested that the British Government should learn from their programme. "For the Tories, Lord Byers, deputy Conservative leader in the Lords, said that his party would need to study the statement. But the prime need was for the Government to cut its own overspending. It should abandon 'controversial and extravagant' bills now before Parliament as a first step to restoring international confidence. In reply, Lord Shepherd, Leader of the House, said: 'The Government believes that the public expenditure deficit has got to be reduced. A review is taking place over the medium term. You can't cut public expenditure just like that with immediate effect. We are dealing with this and we will make a statement in due course. When we bring our proposals forward particularly in removing subsidies and in trying to deal with the deficits in the nationalised industries, I hope we shall have the support of the Conservatives in the unpleasant task and impediments we shall have to put to our people.' Lord Shepherd maintained that the new unemployment measures were in no way a palliative policy. 'In the present economic circumstances, it is out of the question to reflate the economy because of the consequences on inflation as a whole. Dealing with inflation must be our primary task.' He understood the fears that had been expressed that the subsidies for the extension of employment might encourage over-manning. 'We need it to retain workers in readiness for the expected upturn in the world economy next year. But it would be quite wrong to use it for the encouragement of the ease and comfort which results from over-manning.' Lord Byers asked for an assurance that the Government would not make a statement in due course. When we bring our proposals forward particularly in removing subsidies and in trying to deal with the deficits in the nationalised industries, I hope we shall have the support of the Conservatives in the unpleasant task and impediments we shall have to put to our people."

Careers advice 'waste of time'

A BITTER Durham boy wrote to his careers officer complaining that this type of school advice was a waste of time because "they never taught us how to be unemployed." Mr. Dennis Layton, chairman of the Institute of Careers Officers standing committee on unemployment, said at a London conference: "Young people at school are suffering discontent, anger and despair. Who could blame them when they were led to believe 'gain two O' levels, and you can reach the high ranks.' Mr. Layton said that truancy among last year's pupils was running at a national level of 30 per cent. "We are dealing with young people who have been standing wild for a year and during that year their education has deteriorated. Their arithmetic and English deteriorated and it handicaps them getting jobs. Then, when they come to us, they say, 'This careers business is a waste of time and useless' when careers officers have been unable to get them jobs." Dealing with the Employment Department's latest figure of 124,133 unemployed school-leavers, Mr. Layton said that the true figure could be as high as 200,000. There was no indication of how many had been made redundant in the first week or so and had returned to school, college or training centre. Mr. Layton suggested the Government should give premiums to employers to take on people from training service agency courses and for the creation of new jobs for young people. He also urged the introduction of job creation schemes by local authorities.

year—some of them I hope in the next week or two—and will come to an end by the end of next year. "On top of that, we are making £20m available for extra training schemes and we are increasing the payment to people who take training at a cost of £5m a year. "The growth cost of all these measures, which will start immediately and except for the £20m scheme will terminate by the end of the next financial year—will be £75m. But since most of the people concerned will be people who would otherwise have been drawing unemployment and other benefits, when you take into account the offsetting savings to the Government in unemployment and other benefits, the net cost of these schemes will be £45m, spread over the next 18 months."

Construction

"We also intend, in the next few weeks, to introduce a limited scheme to help employment in the construction industry, which has been hit more heavily than many other industries by the current recession. This scheme is likely to cost a sum of the same order as the work creation scheme—let me say round about £30m—and it will concentrate on the sort of building work which can start fast and finish next year and is tied to projects which meet the Government's social and economic priorities. But the construction industry will also obtain assistance from the work creation scheme and also from the measures to stimulate or produce new manufacturing investment."

Training

"Now, all these measures, the extension of the temporary employment subsidy, the work creation scheme and the measures to stimulate or produce new manufacturing investment, will start before the end of this year. "We are dealing with this and we will make a statement in due course. When we bring our proposals forward particularly in removing subsidies and in trying to deal with the deficits in the nationalised industries, I hope we shall have the support of the Conservatives in the unpleasant task and impediments we shall have to put to our people."

Jobs Bill 'one-sided,' says Prior

BY LORNE BARRING
MR. JAMES PRIOR, Conservative spokesman on employment, yesterday accused Mr. Michael Foot, Employment Secretary, of directly contributing to unemployment with the introduction of the Employment Protection Bill.

He said that the Bill added considerably to costs and hence prices. "It militates against the employment of women in particular, and employment in general, thereby increasing unemployment all round," he said. "Because of its uniquely one-sided nature, pro-union and anti-employer, it undermines confidence and hence investment." Speaking at the National Cold Storage Federation in London, Mr. Prior said that the Government had the cheek to introduce such a Bill at a time when unemployment was soaring to unprecedented levels. But the Bill was "a mere bagatelle" compared with the Government's proposals for next session to extend the dock labour scheme to non-scheme ports and widen the definition of dock work. "There are so damaging to the national interest that one has good reason to wonder if they are being prepared by people who do not have the nation's interests at heart," he said. There was a danger that British goods would become more expensive and slower to obtain in world markets. Eventually work would not be available for future generations of dock-workers.

"We propose to spend £20m over the next 18 months on advanced factories, the sites of which have already been acquired and the plans of which have already been approved, so there is no reason why they should not start in the coming weeks, and in addition to the advanced factory scheme I am proposing to make £50m available for new investment schemes along the lines of those which I announced and which are already working from the last Budget."

Restructuring

"In some cases, the money will be spent on encouraging businesses to bring forward projects which otherwise have been delayed or might have gone elsewhere, but the bulk of the money will be spent on restructuring industries which are of vital importance to the economy or are likely to make a major contribution when the upturn begins. "Let me say that the criteria which we have adopted in order to identify these industries and these projects are the criteria which will form a central part in the new approach to industrial strategy which Eric Varley and I will be presenting to the NEC for discussion at its November meeting. "Let me finally describe the effect of these measures, first on jobs and secondly on the Government's finances. "We expect that these measures will produce or will not jobs in any case—we hope over the next 18 months. Some of them, of course, will produce jobs very fast indeed, but there will be some offset to that because an unknown number of the individuals who get jobs under these schemes might have not jobs in any case—we hope not very many—and secondly, some of those who get jobs will get jobs at the expense of others who might otherwise have got the same job. So the net effect of the scheme will be somewhat uncertain, but we hope to guess precisely how much under. "So far as the cost is concerned, the gross cost over the whole period in which this money will be spent and the new income from the new taxes—the money will be spent over the next five years, the gross cost will be about £175m. Of that gross sum, £40m, gross will be spent in the rest of this financial year and £35m, gross will be spent in the next financial year from April 1976 to April 1977, but about a third of this gross sum of £120m, to be spent over the next 18 months will be offset by reductions in unemployment and other benefits and also by additional tax payments to the Treasury from those in work. So that the net cost to the public finances over the next 18 months will be, we estimate, about £35m."

Well spent

"I believe that these schemes will make a real contribution towards reducing unemployment over the next 18 months. I do not pretend—and the Prime Minister and I and Michael Foot have made it repeatedly clear—I do not pretend that they will produce full employment. Far from it. But they could reduce the amount of unemployment by something like 10 per cent, and they do not in any sense represent a major reflationary action by the Government. "If I could give you some figures, the total gross cost of these measures over the whole five years which are involved so far as the investment schemes are concerned, is only £175m, as high as the measures recently announced by the German and French governments and only 1/10th as high as the measures announced this year by the United States Government. But I think the money involved will be very well spent and I hope that the schemes will be accepted as a genuine contribution towards the alleviation of a very real problem for millions of men and women in this country."

More careers officers to aid school-leavers

THE DEPARTMENT of Employment is to take on 200 new careers officers in an effort to increase the number of jobs to be found for school-leavers, Mr. Harold Walker, Parliamentary Under-Secretary at the department, said in Newcastle. A spread of the new posts will be weighted towards the assisted areas, with the North East, for instance, getting 40.

Cautious welcome by CBI chief for employment package

THE GOVERNMENT package to deal with unemployment would have only a "small effect" on the jobs picture, Mr. Campbell Adamson, director-general of the Confederation of British Industry, said in Glasgow yesterday. "We welcome these measures in the hope that, at any rate, some small effect—and I think it can be only some small effect—will be made on the unemployment figures," he said. "The Chancellor is not in a position, in our view, to reflate the economy at the moment, both for balance of payments reasons and, particularly for the reason that we have not cracked inflation."

"We believe we are suffering some of the unemployment because we delayed too long, as a country, to deal with our inflation problem. Although one would dearly like to see reflationary measures taken to end this as quickly as possible, that would be short-term followed by a worse situation afterwards."

Labour shortage

"We still have some trade union difficulties in some areas of the U.K. If we are to get people trained to take advantage of the upturn when it comes, we must have acceptance of these people. The Midlands region of the CBI said in Birmingham that there was a need to resolve long-term problems such as the chronic shortage of skilled labour, and it hoped Government-trained workers would be required to go wherever the need was greatest. Mr. Frank Allison, Labour MP for Salford East and a member of Labour's national executive committee, said the proposals "only scratch the surface."

"The key to the problem was to drop drastic cuts in public spending, which would cause still more unemployment. Instead, the need is for reflation of the economy, an end to cuts in public spending, a massive housing and public works programme and new State enterprises. "This would kill several birds with one stone," he added. West Germany and Italy had both dealt with unemployment by big expansions in their housing programmes. Left-wing Labour MP, Mr. Eric Heffer, the former Industry Minister, said that although he supported them, the proposals were very disappointing indeed.

Deplorable

"The Government shall need to go much further than this package and must face the facts. The time has come for a much more fundamental and radical approach. "Is it not deplorable that there could be even a hint of the pound being under pressure just because the Government intends to carry out some rather timid measures to try to stop unemployment rising? The fact that only £75m is allocated for short-term measures is just not good enough."

TUC approves, but unions demur

BY JOHN WYLES, LABOUR REPORTER

THE CHANCELLOR'S measures received qualified approval from the TUC last night which said longer than anyone was currently estimating and emergency measures to help the economy must be part of a broader programme for developing industrial and economic activity. Indicating that the new measures go only part of the way towards meeting its wishes, the TUC emphasised last night that it would continue to urge proposals "over a wide field" on the Government. "We are confident that today's announcement will not constitute the full extent of the Government's response," it added. Nevertheless, the TUC was clearly happy that the Government had listened and "reacted positively" to its views on making the temporary employment subsidy available where necessary in the U.K. The school-leavers' recruitment subsidy would have the social purpose of avoiding "thousands of young people going straight from school to the dole queue." Overall the measures had "the limited objective of helping the Government's action was too preserve employment this winter and to ensure that we have the skills to meet the upturn when it comes," said the TUC. Reaction from individual union leaders last night was much more mixed. For Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, the Chancellor's measures would only make "a small dent in the overall situation. A commitment was needed from the Government to maintain public expenditure levels along with action on prices, selective import controls and a general investment incentive. Mr. James Milne, general secretary-designate of the Scottish TUC said it was clear that the Government's action was too little. He said the country was facing real problems which demanded real action. Worse still, the major part of the expenditure was being delayed until the next financial year. The money was needed now. This was general secretary of the Association of Scientific, Technical and Managerial Staffs, the Chancellor's measures would only make "a small dent in the overall situation. A commitment was needed from the Government to maintain public expenditure levels along with action on prices, selective import controls and a general investment incentive."

INTERIM STATEMENT

Youghal Carpets (Holdings) Limited

INTERIM STATEMENT 1975
The Board has declared an Interim Dividend of 15%, less income tax at 17p in the £ on the Issued Ordinary Share Capital for the year ending 31st December, 1975, payable on 13th November, 1975. Unaudited trading results for the first half year were as follows:

	1st Half 1975	1st Half 1974	2nd Half 1974
Group turnover	16,512,000	12,874,000	13,666,000
Profit before tax	617,076	1,061,198	555,813
Estimated tax	180,000	306,000	167,600
Profit after estimated tax	437,076	755,198	388,213
Extraordinary item	(32,900)	—	—
Exceptional tax credit	504,000	—	—
Available for Group shareholders	906,056	755,198	388,213
Preference Dividends (Net)	16,877	18,681	16,681
Interim Ordinary Dividend (Net)	415,604	544,448	408,486
Profit retained	473,575	193,484	(37,319)

Trading in January and February was better than for the corresponding months of 1974. However, as the year proceeded an irregular pattern emerged. The period was one of difficult target achievement for sales and maintenance of margins. Under these circumstances, a substantial increase in turnover of over 30%, although including an element of inflation, must be regarded as satisfactory. The "Extraordinary item" referred to above is interest, less tax, payable on borrowings for the acquisition of the Dutch company, Koninklijke Vereenigde Tapijtfabrieken N.V. (K.V.T.), whose accounts will be consolidated in the year's Group accounts. The "Exceptional Tax Credit" arises from stock relief in Ireland, previously a deferred liability but not now payable. Although it is disappointing to find that a higher rate of profitability was not achieved on turnover, the sales position is satisfactory and the company has gained ground. The benefits which it is expected will flow from the acquisition of K.V.T. for marketing the Group's products in Europe are yet to come. It is impossible to predict what the results for the full year may be, but in the absence of a serious downturn in profits or a general deterioration in trading, it will be the intention of the Board to recommend a final dividend of not less than 15%. BRIAN L. J. O'BRIEN, Chairman.

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LABOUR NEWS

ILEA moves to re-open strike-hit junior school

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

ONLY about half the pupils of the William Tyndale junior school attended classes yesterday when the Inner London Education Authority moved in to re-open the school in spite of an unofficial strike by its headmaster and six of its nine teachers.

An ILEA inspection and in-conduct of the Islington school, after a drop in its roll over the past two years from about 250 to 110 pupils. But the authority said yesterday that only 63 children attended after the reopening.

The low attendance was probably influenced by the distribution of leaflets among parents urging them not to support a "blackleg" institution.

The four or five inspectors at the school were helping the remaining staff—the deputy head and two part-timers—with teaching. But the absence of the other staff prevented their getting down to the main point of the inspection: the systems of teaching being applied.

The fall in the roll has been accompanied by complaints from parents and school managers—a number of whom are nominees of the Islington Labour Party—about a highly permissive approach to teaching which has

led to poor standards of literacy and numeracy.

Some parents, from working-class as well as middle-class backgrounds, who were outside the school yesterday complained that its seven- to 11-year-old pupils were allowed to choose whether to work or play. One mother alleged that some teachers sent children on errands for them in school hours, which involved crossing a busy road.

The general impression was that a good many more of the pupils would be taken away if places were made available for them in other ILEA schools in the locality.

Another focus of parental complaints was an alleged attempt by some teachers to ram Left-wing social realism down the children's throats.

However, the headmaster, 37-year-old Mr. Terry Ellis, and the other six unofficial strikers—who are understood to be associated with the International Socialists' rank and file movement—claim that they are the victims of a politically inspired campaign by the managers and factions of the Islington Labour Party to interfere with the "progressive" methods which the teachers are convinced are in the pupils' best interests.

The dissenting staff are calling for an independent inquiry into the conduct of the managers, whom they barred from the school premises in the summer term. Whether or not this action was legal is open to question, since the rights of managers to visit a school are not defined by law.

Mr. Adam Roberts, one of the managers, said that their side was keen that the ILEA inquiry should cover both the managers' and the teachers' conduct.

The strikers have been advised by their union, the National Union of Teachers, and the Left wing-inclined Inner London Teachers' Association to return to work and permit the inspection to take place.

The ILEA inspectorate, which is made up of people with considerable experience of teaching, is a highly respected body. It is widely believed in educational quarters in London that, provided they are basically competent, teachers can only gain from an ILEA inspection of their school.

The strikers have also been warned by the ILEA that the Education Act provides for fines of up to £50 and up to three months imprisonment as penalties for the obstruction of school inspectors.

Unofficial dock strike leaders reprimanded

By Roy Rogers, Labour Correspondent

TWO LEFT-WING lay members of the Transport and General Workers' Union national executive, who led the unofficial strike of London dockers earlier this year in defiance of union instructions, have been reprimanded.

But militants' fears that the two, Mr. Brian Nicholson and Mr. Billy Powell, might be removed from the executive for going against instructions, have proved unfounded.

An inquiry by the union's finance and general purposes committee into the activities of the two dock leaders during the five-week unofficial pay strike has decided they should be reprimanded and censured.

This apparently lenient treatment could, however, have a significant effect when Mr. Nicholson and Mr. Powell come up for re-election at the end of the year. Mr. Nicholson may be particularly pushed to secure re-election, as unlike Mr. Powell, he does not represent dockers alone but is on the executive as one of the three territorial members for London and the Home Counties and is therefore elected by all TGWU members in the area.

Already this year there have been several changes among London docks union officials, including the resignation of docks secretary Mr. Peter Shea, who has been replaced by Mr. Fred Briden, and the voluntary departure from the industry of leading Left-wing shop steward Mr. Tom Nelson and moderate shop steward Mr. David Marks, both of whom have accepted voluntary severance.

A further change is in the offing with the impending retirement of Mr. Bert Fry who, as the TGWU's Region Number 1 (London and Home Counties) Secretary, has overall responsibility for relations between London dockers and other TGWU members in the area.

TUC plans equal rights committee

BY JOHN ELLIOTT, LABOUR EDITOR

A MORE positive TUC voice in the field of race relations is likely to develop soon as a result of plans being drawn up by TUC leaders for the creation of an equal rights committee under its general council.

Initially, this committee would only deal with race relations although its equal rights subjects might be expanded later. This is a major initiative for the TUC which up to now has adopted a low key approach on the contentious subject of the problems of race in industry.

Together with individual unions, it has frequently been criticised for not being more positive on such detailed shop floor problems.

The prime responsibility for race relations in the past has been carried by the TUC inter-national committee, together with other committees handling employment subjects.

The new initiative emerged yesterday when the TUC general council announced the membership of its committees for the coming year following a number of senior union leaders leaving the council at the TUC annual conference in London.

The key new appointment is that of Mr. Harry Urwin, deputy general secretary of the Transport, Workers, who joins the TUC's key economic committee. His general secretary, Mr. Jack Jones, is already the most influential proponent of equal rights and Mr. Urwin will bring special

Advertising and Nielsen's new look

BY OUR MARKETING EDITOR

FROM next month the research data on the performance of companies' brands in the shops produced by A. C. Nielsen will be built upon a completely different base. The mechanics of the change, derived from the 1971 Census of Distribution, are intricate but the consequences for marketing are simple.

They will be far-reaching since over 160 of the largest packaged goods companies in the country plot their sales performance on the figures supplied by Nielsen.

Nielsen has been criticised for slowness, expense, and inflexibility. But new companies can organise their marketing effort without its aid, and year after year they are prepared to pay between £20,000 and £200,000 for the information. The current overhaul of its food and drug indices, should place the Nielsen position as the largest research company in the U.K. with record sales of over £2m in 1974-75.

The main changes bring to the fore services which up to now Nielsen has marketed as extras. Surprisingly, its most common service is the sale of tapes according to the nine major ITV regions. Nielsen divided up the country quite differently. Now the main data will be based on the ITV areas, including Anglia, which previously had only been available at a surcharge.

The actual shops audited will be completely overhauled on the basis of the latest Census, and there will be a slight decline in numbers although an improvement in accuracy. In addition, major multiples will be separated from all other retailers, at no extra cost, and the four major symbol chains will also be covered separately. Greater detail will be provided on source of deliveries and out-of-stock situations, reflecting the extra concern felt by grocery manufacturers about physical distribution.

But as the cost of Nielsen's services rises while margins fall to move in step, are considering other approaches. Next month A.C.B. is entering the market, covering a range of shops from London to the north of the country. Now to the Nielsen's, at no extra cost, and the four major symbol chains will also be covered separately. Greater detail will be provided on source of deliveries and out-of-stock situations, reflecting the extra concern felt by grocery manufacturers about physical distribution.

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AUEW moderates win round

BY ROY ROGERS, LABOUR CORRESPONDENT

MODERATES in the Amalgamated Union of Engineering Workers won another High Court victory yesterday when the union was instructed not to delay an election for the key post of executive member for its West Midlands and Manchester division.

Mr. Terry Duffy, an assistant divisional organiser, and the right wing challenger for the union's Division Four executive seat held by left winger Mr. Bob Wright, was successful in obtaining an interim High Court injunction preventing the union from delaying the election which was originally due to be held next month.

The legal moves arose after the union's executive, on the casting vote of Mr. Hugh Scanlon, the president, decided to begin the election process after a move which would have meant it could not be held until next March.

At the centre of the wrangle is an AUEW decision to transfer 2,000 members in the Banbury district from Division Four to the adjacent Division Five (East Midlands and Yorkshire) as part of a reorganisation. This takes effect from next January 1 and while the executive has decided that the Banbury members should therefore be excluded from the Division Four election on the grounds they will not be in that division next September when the successful candidate will take office, this has been challenged by the Banbury district and subsequently by Mr. Duffy.

INTERIM STATEMENT



Interim Report for the 24 weeks to 21st June 1975

	Interim Results	1974	1975	53 weeks
		£'000	£'000	£'000
Turnover	126,300	98,200	252,112	
Trading profit before depreciation	10,010	7,750	28,841	
Depreciation	2,700	2,600	8,425	
Trading Profit	7,310	5,150	23,216	
Interest paid				
less Investment Income	3,470	3,650	8,564	
Profit before Taxation	3,840	1,500	14,652	
Taxation	2,040	800	7,893	
Profit after Taxation	1,800	700	6,759	
Minority Interests	360	250	900	
Profit attributable to Rowntree Mackintosh Ltd. before Extraordinary Items	1,440	450	5,859	

Notes:

- The unaudited interim figures above should be read in conjunction with the Chairman's Statement below.
- The sales and profits of overseas subsidiary companies, with the exception of South Africa, have been converted into sterling at the respective half-year and year-end exchange rates. The South African interim results for 1975 have been converted at the post-devaluation rate on 22nd September 1975.
- It is anticipated that no Corporation Tax will be payable on the profit of the half year. A charge to deferred taxation has been provided at 52% on UK profits; overseas tax amounts to £740,000 (1974 £350,000).
- Extraordinary items will arise in the year consisting principally of adjustments to provisions against the cost of long-term investments. On the basis of stock market values on 21st June 1975 the amount which would have been released was £2.8m.

Chairman's Statement

Dividend

The Board has declared an interim dividend of 1.26p per share compared with 1.18p per share in 1974. This dividend will absorb £453,600 and will be payable on 6th January 1976 to Ordinary Shareholders registered at the close of business on 8th December 1975.

Trading Results

Group sales in the first half of 1975 were £126.3m some 29% higher than the first half of 1974. Trading profit before depreciation increased by a similar percentage.

Substantial turnover increases were achieved by every division; 43% of sales were outside the UK. Under the influence of higher prices, industry throughput was lower in most countries in which we operate. However, the reduction in the Group's volume overall was small and, indeed, the Australian, South African and German companies and the UK Grocery Division achieved higher volumes than last year. In the important UK confectionery market, we increased our market share.

Outlook

The pattern of half-yearly trading margins continues to be distorted by the timing of cost recoveries and price control procedures. Over the year as a whole we expect trading margins to be slightly below last year's levels but on a group turnover which should exceed £300m compared with last year's £252m.

Subject to the uncertainties which must be inherent in today's economic and trading conditions, it is anticipated that trading profits for 1975, although not rising in proportion to the increase in turnover, will be higher than in 1974.

Interest charges for the full year are expected to show the same pattern as in the first half with a small reduction, assuming no marked upward movement in world rates in the last quarter of the year.

As a result, earnings per share are expected to show an increase on last year's 15.9p per share.

Donald Barron

Mrs. Castle hears views on phase out

By Our Labour Staff

THE MEDICAL profession yesterday sent its comments on the proposed phasing out of pay beds from the National Health Service to Mrs. Barbara Castle, the Social Services Secretary.

The contents of the reply to Mrs. Castle's consultative document, which called for an extended licensing system to control the growth of the private sector, will be disclosed today. But the British Medical Association has already declared that it will "resist by all means" the closure of private facilities in NHS hospitals and will not accept any limit on the development of private medicine.

The BMA is one of the main signatories to the reply, which has been drawn up jointly by the country's doctors' and dentists' associations.

APPOINTMENTS

Head of PLA to retire

Mr. John Lanch will retire as Director-General of the PLA on March 31 next. Before that he is handing over his executive responsibilities to Mr. William Breyer, who is acting as Director-General from October 1.

Mr. Lanch will continue to act in a consultancy capacity as the chairman and to deal with his international responsibilities in the intervening period.

Mr. Ken Howells, 62, head of Legal and General's managed fund subsidiary, LEGAL AND GENERAL (PENSION) MANAGEMENT, is to retire. Mr. Howells became manager of Pensions Management shortly after it was launched in 1971. He joined Legal and General in 1949 and held several pension appointments before helping to found Pensions Management. Mr. Howells' successor will be Mr. Keith Hall, manager of Legal and General's west region.

Mr. George H. Kenyon has been appointed non-executive deputy chairman of TOTOTAL. He was appointed a non-executive director of Total on February 1, 1971. Mr. Kenyon is chairman of William Kenyon and Sons, a Manchester-based group with interests in industrial textiles, engineering, thermal and acoustic insulation, and a director of Williams and Glyn's Bank and of Manchester Ship Canal Company.

Mr. Michael Peck will succeed Mr. Roland Freeman as managing director of WELBECK CITY, the financial advertising and public relations agency, on September 30. Mr. Freeman is leaving to practice as an independent PR consultant specialising in political and Parliamentary work. Mr. Simon Short has also been appointed to the Board.

Mr. Roy E. J. Roberts has been appointed a director of GUEST

KEEN AND NETTLEFOLDS. He is chairman of GKN Engineering and of GKN Building Supplies and Services and a director of Guest Keen and Nettlefolds (U.K.).

Mr. M. J. Cotton has been appointed chairman of MILLBANK TECHNICAL SERVICES (ORDNANCE) (MTSO) in place of Mr. James Parkhouse, who has retired. Mr. E. A. Kirkby has been appointed director.

Mr. Norman Parker has been appointed managing director of HESTAIR INTERNATIONAL—a company formed by HESTAIR, the specialist vehicle agricultural engineering, toy and educational supplies and leisure group—to increase exports and establish overseas sources of income. Mr. Parker joined Hestair in 1972.

SOUTHCOMBE ADVERTISING has appointed Mr. Roger Wilcock joint managing director. He will partner Mr. David Horne, who has been sole managing director since 1972. Mr. Wilcock has been with Royds since 1950 and a director since 1961.

Mr. Peter R. Henderson has been appointed company secretary and Mrs. Susan C. Lawson a director of LAWSON SECURITIES.

The CO-OPERATIVE BANK has appointed Mr. Edwin John Hewitt as joint general manager (financial control) with effect from September 28. Previously a senior management consultant with Annan Impney Morris, Mr. Hewitt will be responsible for accounting and management services for the Division. He has been appointed deputy chairman of the new top management team introduced by Mr. Lewis Lee, the bank's chief general manager. Mr. Hewitt's colleagues as joint general managers will be Mr. Alfred Bass (domestic banking), Mr. Wil-

son Luxton (administration) and Mr. David Maxey (city and international).

Dr. D. M. Davies, Mr. A. Dick and Mr. R. Jordan, who all hold senior executive positions within the group, have been appointed to the Board of FOSCO MINSEY with effect from October 1.

Mr. Brian Wilkin has been appointed a director of STERLING OFFICES (LONDON).

Mr. J. Mansfield, company secretary, has been appointed to the Board of BERRY BROS. AND RUDD, the St. James's Street, London, wine and spirit merchants and the proprietors of Curry Sark Scotch Whisky.

Talks start soon on new deal for Scots lorrymen

BY CHRIS SAUR, SCOTTISH CORRESPONDENT

NEGOTIATIONS on an annual pay deal for about 8,000 Scottish lorrymen will start shortly within the framework of a new joint industrial council which was officially set up in Glasgow yesterday.

Creation of the council stems directly from last year's three week strike by Scottish lorry drivers which resulted in a pay-setting £40 for 40 hours deal. This dispute highlighted the absence of a dispute procedure for the Scottish haulage industry and the weaknesses of an essentially company based bargaining system.

The constitution of the new council attempts to remedy both defects and the new central pay bargaining arrangement will face its first test over the next few weeks when talks will start on a new deal.

The Transport and General Workers' Union, which has sole union bargaining rights on the new council, is anxious to set up similar machinery on a regional rather than a national basis in England and Wales. At the same time it is seeking to wind up the wages council for the road haulage industry.

The Marketing Scene

Saatchi & Saatchi and Comptons are merging to form one of the largest advertising agencies in the U.K.
ANTHONY THORNCROFT reports.

Saatchi makes the big time

THE biggest advertising merger in years Saatchi & Saatchi is getting together with publicly quoted Compton. In effect the deal is a takeover, the share of Saatchi & Saatchi being used for a commanding 35 per cent of the equity of the new company. In addition the dozen shareholders in Saatchi & Saatchi will receive 10 in cash, the great bulk going to Charles and to Saatchi who set up the firm in 1970.

Positives

At first glance it is a merging of two agencies, but it is more than that. When an agency was set up by Sidney Garland which became associated with S. owned Compton, while Saatchi & Saatchi has only been an agency for its after a successful speculative boom.

In a recent interview Saatchi, who becomes chairman of the new holding company along with its current chairman, a Gill, said that Garland was an agency he much admired, especially for its work on the mainline and goods advertising, for its big name clients, its at campaign on television, and its two more, as he managed to stay profitable, despite the advertising industry's downturn. He said that the merger was a natural one, and that the new company would be a natural one, and that the new company would be a natural one.



The new management team at Saatchi and Saatchi: Kenneth Gill and Charles Saatchi, joint chairmen and Tim Bell, managing director.

It must have intensified Compton's willingness to consider mergers, especially with a strongly managed agency like Saatchi & Saatchi. The dominant contribution of Saatchi & Saatchi to the new agency is underlined by the management structure. The other new director on the holding company board is Maurice Saatchi, and in the main agency, Saatchi & Saatchi, which will come into existence in the New Year, Tim Bell, currently managing director of Saatchi & Saatchi, takes over as m.d., with the Garland-Compton managing director, Ron Rimmer, switching to financial director.

All the Garland-Compton directors remain on the enlarged board, but Saatchi's man, Jeremy Sinclair, becomes creative director, and two more, as he managed to stay profitable, despite the advertising industry's downturn. He said that the merger was a natural one, and that the new company would be a natural one, and that the new company would be a natural one.

Blue chip

Saatchi & Saatchi numbers such blue chip advertisers as such as Leyland, Denlop, ICI, and trying to keep up in order to win support of the very sceptical City, which has got over the agencies' tangible assets. Compton's profits have fallen from £306,506 in 1973-74 to £200,000 last year, and a forecast of £160,000 for the year ending September 30. This is not remarkable, given the merger, although there are elements of the industry, but still discussions over possible

account clashes. Saatchi & Saatchi works for Harp Lager on Kronenbourg while Compton's has the Bass Charrington business, and there is also the chance of conflict between Compton's British Caledonian Airways and Saatchi's KLM; but these are relatively minor points of dispute. As always in these mergers it takes some time for the unstable elements, both in staff and in the speed and smoothness with which the deal has been managed, to be a good omen. The agencies are both British managed, both operate provincial agencies, both have clear objectives from the get-together. For Compton it provides a proven record in attracting new business; for Saatchi & Saatchi there is a sizeable cash sum as a reward for their efforts, and a public quote for their agency.

Depression

Charles Saatchi planned to go public early on in his agency's life but the downturn in the Stock Market and the depression in the advertising industry forced him to abandon the hope. Now he will run a quoted agency with all the restrictions this involves. The agencies that went public in the early seventies have had their ups and downs, and the ingrained City scepticism about advertising which has not been dispelled makes it unlikely that many more will take the plunge—the new advertising entrepreneurs and probably happier getting a good living from their agency, away from the financial restrictions and the public glare that a quote brings. There are six other quoted agencies — Brunings, the longest established, Kimpher, Collet Dickinson Pearce, Geers Gross, OBM (whose shares are mainly traded on Wall Street), and Reed and Smith, a paper manufacturer which acquired the very successful Harrison Cowley agency when David

Harrison was lured in as its chief executive. The profit record of these agencies has been well above the industry average, but all have idiosyncracies, which make it a nonsense for the City to view them as a self-contained group. Brunings' has diversified into boat and caravan production and owes much to its clever exploitation of its property; Kimpher has also tried to extend to other marketing areas and is in the strange position of having around a quarter of its shares now held by Osborne's, an unquoted competitive agency; Collet's has managed an impressive record of growth built on its basic skill, display advertising, and in recent years has produced more net profit than any other U.K. based agency; Geers Gross makes the highest profit in advertising from the smallest turnover; while OBM has the security of belonging to one of the largest international agencies in the world. Reed and Smith is perhaps the most bizarre, since the Bristol based Harrison Cowley agency produces a £300,000 profit, on a £8m. billings, and is actually the most profitable wing of its parent company.

Takeovers

With little likelihood of the advertising industry managing a substantial recovery in profitability for a year or so, there may be more mergers and takeovers, perhaps among the public companies. But the scope for rationalisation among the majors is limited by the fact that eight (before yesterday's merger) of the nine of the biggest agency groups in the U.K. are U.S. owned or else have close U.S. links. And many of the second rank agencies have already huddled together for security. So the advertising world, which has no more of rising costs and falling revenue, may see the crisis through with few casualties and stronger, more viable agencies.



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BRANDED CHICKENS Starting to grow

BY ANTHONY THORNCROFT

WHEN it comes to pinpointing recent growth markets few can compete with the chicken. Twenty years ago we consumed 23m. chickens a year; now it is over 300m. Yet this has not meant a production dominated industry, with the processors able to sell all they could supply until last year, in 1974, food prices doubled, consumption ceased to grow, and all the main producers incurred sharp losses. The setback has convinced at least one of them, the Fitch-Lovell subsidiary Golden Produce, to concentrate on a marketing approach for chickens. On September 29 a new, heavily branded, range of chicken products make their appearance—Farmer's Table. Golden Produce supplies the southern half of the country where it holds around 18 per cent of the market (nationally it accounts for 21m. chickens a year). But like most leading chicken producers only a third of its output is branded—the

remainder are sold anonymously. Now a detailed consumer research project has come up with a spanning new approach. Farmer's Table has been chosen as the most acceptable name, and it will appear on the transport fleet and the stationery as well as the packs. There will, for the first time in this market, be marked maximum selling prices as well as a money back guarantee, and a new product range concentrating on the growth areas, portions and fresh chickens, rather than the declining frozen market. The overall aim is to increase profits rather than sales, and an important bonus from the new marketing approach is that it will require slightly smaller chickens. The major effort will be put behind portions which now account for a quarter of the market, with an impressive 8 per cent sales growth in the first half of the year. To date Golden Produce has been slow to latch on to this trend, but a choice of carefully researched packs, headed by two chicken breasts—the most popular line—could change all that. Although the £200m. plus chicken market might look like yet another provisions sector succumbing to brand image building, there are still some traditional problems—like a tacit agreement by the producers to co-operate on a generic advertising campaign for chicken this autumn rather than vigorously compete on advertising. However, if the new Farmer's Table approach succeeds (and first reactions from the trade are favourable), Fitch Lovell intends to introduce more processed chicken lines, such as chicken burgers and chicken fingers, next year with an initial advertising budget of £300,000.

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Video exhibition
To be held in the comfort of the car...

SIDING the shape of the ment's latest package of measures, Ministers were with trying to satisfy two ing pressures. On the nd, the Government wan- e keen to be doing some- ck check the rise in unem- nt this winter. On the and, its room fer- re was limited by the o avoid further appreci- ditions to public sector- ture and borrowing- ment and so undermine- nce in the Government's- o fight inflation.

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Employment Transfer Scheme
whereby unemployed workers are helped in moving to areas where jobs are available.

In addition, the Government is hoping to influence some limited number of new social public works which can be created quickly and completed within a year or so.

Ministers are hoping that this part of the package will take about 100,000 of the unemployment figure—which is now expected to reach about 1.5m. the peak—for a gross cost (including the cost of the additional public works programme) of about £75m. The net effect after allowing for the reduction in unemployment and social security payments, but not for extra tax receipts, could be about £40m., of which some £20m. may fall in the present financial year.

It is anticipated that up to 100,000 jobs are actually saved or created.

will not entail continuing to public spending, by reducing unemployment and boosting tax revenues. The scheme should involve only a modest net cost to exchequer. The measures fall into this category:

In addition to the rest of the strategy the Temporary Employment Subsidy which is in the assisted areas on 1st 18;

• temporary recruitment aid for school-leavers; 200m. grant to the Manpower Services Commission for job creation programme, intended to provide up to 40 jobs particularly for young people on "Community wide" projects; 200m. expansion of the Government's existing industrial training programmes; 200m. more for the existing

The second part of the package will raise the cost of about \$175m, gross, to about \$145m, net. These measures—extra \$80m. for industrial investment, projects under the Industry Act and a \$20m. addition to the advanced factory building programme—are primarily designed not to shore up employment in the short-run but to strengthen the long-term industrial base. This expenditure will be spread over some years. Only about \$5m. gross (and under \$30m. net) of the total cost of the whole package will be incurred in the next 18 months.

Details of the manpower Commission's \$20m. creation programme are still being worked out. But an announcement on this and on how the Commission proposes to

JOB

Moving away from new job?

20% tax credit
new job


How to find a new job

finding a new job
new job

The general idea, however, is that a sponsor interested in promoting a work creation scheme would approach the Commission which, if it decided to back it, would pay a grant covering the full labour costs while leaving the sponsor to pay the rest. Wage levels will be broken in thirds with the first third paid to local council manual workers which are about £30 a week now and which will rise later this year when a deal is struck within the Government's £6 policy. The Commission may decide to set a maximum level for wages around these figures.

The sponsor could be virtually any organisation—a local council, a voluntary group, a private sector employer or a trade union. The only limit on money will be handed out on a "first come, first served" basis.

Schemes likely to be supported will be those contributing




be involved—maybe with a painting contractor suggesting that he paints a town hall. A primary criterion will be that supported schemes must involve work which would not otherwise be done.

The totting of applicants will be carried out by a variety of people probably brought together in local Commission-organised committees, including representation from the Employment Services Agency and the Training Services Agency, both of which are run by the Commission.

Useful skills

The work will be angled towards helping the young unemployed and school-leavers and the Commission intends that efforts should be made to designate the work so that those carrying it out are trained in skills which will be useful later.

The Commission has been



urging such schemes on the Government for some months and will now be spending the next week or so setting up arrangements for the first one, probably in key unemployment areas such as Merseyside and Scotland. A small central unit to run the programme is being set up in London with six

regional teams covering the assigned areas. But sponsored schemes will not necessarily be confined to the areas of high unemployment.

Full details of the new recruitment subsidy for school leavers have also yet to be announced. But the basic idea is to pay £5 a week for six months to employers in the most depressed areas of the country who take on for at least that time a youth under 20 years of age who left school this summer and who has not had more than six weeks work since then. The scheme is expected to start at the beginning of November and last until the end of the year though it might be extended in Scotland to meet the problem of Christmas school-leavers there. To avoid the obvious dangers, the employers will have to guarantee that the job is not temporary and that it has not been created by the dismissal of an older em-



ployee. The scheme would also apply to apprentices in the construction industry who become unemployed after completing their first year—and to other young people trained under the Training Opportunities Scheme.

The emphasis the Government is placing, through this scheme

and the youth unemployment problem, the Government has a number of proposals. The first is to make the existing employment subsidies all-inclusive and to welcome this. This age group (and those over 55s) tend to suffer particularly from periods of relatively high unemployment. Figures compiled by the MSC show that since 1968 the unemployment among those under 20 has tended to run at 14 to 15 times the national average rate. The Government's employment subsidies all-inclusive will allow the Government to concentrate on the kinds of schemes that the Temporary Employment Subsidy Scheme, which it is claimed has so far saved 2,300 jobs, mostly in the North West, Scotland, and Yorkshire and Humberside, and which is now to be extended to the whole country. It is true that an employment subsidy of £100 a week for adults and £25 for young people would cost less than paying unemployment social security benefits (which since mid-November will cost a

minimum of \$23.50 weekly for a married man with two children and \$27.70 for a 19-year-old living with his parents). But how many employees will regard these payments as worth the administrative trouble? The subsidies are taxable income and, after paying national insurance contributions, the net cash benefit could be minimal. For an adult on the national average wage and a school leaver paid £80 or more, the net benefit to the employee vanishes.

The Government's new measures received a decidedly cool reception last night from some of the industries likely to be involved. The general feeling was that the Government's estimate that up to 100,000 new jobs could be created was a grossly optimistic figure of nearly 50,000 is thought to be more realistic.

For example, there are still shortages of skilled manpower

in some areas and it is noticeable that companies have maintained their intake of apprentices reasonably well even during the recession. In this context, there is little point in the Government allocating additional funds to the Manpower Services Commission for the expansion of training programmes, with a particular emphasis on schemes for young people, if the unions will not accept the qualifications which these young people obtain.

This problem of dilution—with the unions refusing to recognise anything less than a full-scale apprenticeship lasting as long as five years in some industries—is a long-standing one and the Conservative Government now has a real opportunity to get to grips with it.

The further \$80m. to encourage acceleration of capital projects and industrial

modernisation schemes is welcomed, but employers' leaders feel that the real need is for the Government to create the climate in which companies believe that investment is worthwhile.

The Confederation was a little more enthusiastic about the decision to allocate an extra \$20m to the building of advance factories and the modernisation of existing plants over the next 18 months, only because work will be created for the building industry. Nevertheless, although that figure looks high, it should be seen in the context of the Government's earlier spending on advance factories. Since September last year, a bare 12 months, it has allocated a total of nearly \$16m, to this cause. In that period 130 factories have been built.

The construction industry itself, in the midst of the worst recession since the last war, was

not particularly impressed with yesterday's announcement.

Benefit

Last September, the Government announced a £120m. boost for the building sector and this represented a mere 1 per cent of the industry's annual output. It seems that the total volume of finance being pumped into the sector as a result of yesterday's announcement will be considerably less, with only £20m. going into advance factory building and an uncertain proportion of the £80m. provided for industry modernisation going directly into construction work.

Three industries are likely to benefit from the Government's £80m. to help modernisation scheme: paper and printing machinery, and printing machinery. But retail still have to be worked out.

to newspaper ging bowls

The Chief Executive, Mr. J. Edgar Hoover, is quoted as saying: "Tucked away in 'Reckless' article (September 14) is a statement that Dr. Street's call to attack important comment: 'Taxpayers might just compete for the benefits.'"

The National Taxpayers' Union Group, New York, said: "We do not have our beginning without. We take the view that it is preposterous to expect taxpayers to dig into their own pockets when the Government is overfull pockets when it comes to national newspaper industry." "The industry is not a distribution company within itself. For in each of the last three years the industry has spent more than \$400,000 on promotion on television; the industry has spent more than \$100,000 a year on private distribution companies; and more than \$100,000 on advertising unsold; several hundred pounds are wasted in newspapers produced by number of pages unjustified by advertising demands or by the appearance of a product."

On Sunday, September 14, the national newspapers and national evening advertisements were not published. The cost was about \$100,000. The course, acceptance competition between newspapers is desirable. We emphasize the fact that the newspapers should not have and display rather than the newspapers.

a-week engagement) will cost about \$7m. For reasons of cash flow, some companies lacking in external resources or having the misfortune to have fully taken-up overdrafts, etc., could utilise Government loans for this specific purpose.

We share Rex Wimsbury's apprehension of Government influence, however subtle, once any company has accepted Government aid. Regrettably, we believe that since there is an invitation to opt out of the begging bowl, previously held high principles may well be tempered by some proprietors.

Percy Roberts.

Holborn Circus, E.C.1

From Mr. J. Ross.
Sir.—Your report (September 22) states that the "Scottish Daily News" which is losing an estimated £20,000 a week, and employing 500 people. This is the equivalent of a loss of £40 per week per person, but the position becomes a little worse if one assumes that the original Government loan of £12m. in May will be completely lost if its proceeds on the plant is relinquished. If we assume generously that this is 30 weeks ago, then the loss is equivalent to £80 per worker per week, with no prospect of this loss being reduced. Where do the taxpayers draw the line?

**Jack Ross Company,
15, John Dalton Street,
Manchester.**

Company chores

**From the Vice Chairman and
Managing Director,
Sterling Cable.**

Sir,—We are increasingly
requested by various Govern-
ment departments, local authori-
ties, courts and so on to deduct

pressure on local government. The General Secretary, Mr. J. J. O'Connell, of the Local Government Association.

I cannot let the letter of the County Councillor John O'Sullivan (September 18) pass unremarked. Especially in these times, it is scrupulous to state that local government is overpaid. This year's average pay increases of 12.3 per cent (including 1974), which did not even increase in the cost of living. The 1974 settlements increased of only 11.13 per cent. Clearly, local government staff have not been paid in recent pay rounds.

So-called fringe benefits are a fair and reasonable thing to have. I am afraid that Councillor O'Sullivan has fallen victim of his prejudice. When one looks at the "perks" available to a private sector, the nationalised conditions of employment for local government staff pale into insignificance. The fact that a Councillor is paid more money is greeted with irony or bitterness by unskilled social workers, for example, all over the country.

Pension rights are not a perk and, if he is concerned about these given to staff, he would do well to consider the pay freeze to which he subjected this year.

Comments on resisting change are even greater hollows when local government is over the country, have painful 18 months coping with stresses and strains of re-organisation, when the average staff pay is 10 per cent lower than the national average staff pay.

local spending

be the first to admit that new management techniques may encounter some teething troubles, but the aim has been to improve services, to make better decisions and to improve co-operation between departments. Another feature of re-organisation has been the attempt to cut out the use of expensive outside consultants and agencies and to provide proper specialists within local government—something which is ultimately a money-saver.

Of course local government is labour-intensive. Services to the community cannot be handled by computers. In the last five years, there have been 68 Acts of Parliament with over 1,000 clauses and statutory provisions, which a hard-pressed local government staff have had to implement. All this requires staff and resources.

Attempts to counter inflation by squeezing public expenditure levels are just not on as far as the TUC is concerned and they are, in any case, not the answer to the problem. It is inconceivable to my union that those most in need in the community might have to suffer because services are squeezed through misguided policies. This union has gone along with the Government/TUC pay policy this year and it is hoped that this will give the Government time to put its house in order. In the meantime, a grant is needed in the form of restricting public expenditure levels.

*Godfrey Draine
NALGO House
8 Harrington Row, London, N.W.1*

from employees' pay often quite small sums of money and remit them to these various authorities. This is becoming an extremely expensive and onerous business for us and, no doubt for many other employers.

We are expected to keep special records, make out individual cheques and post this money to the authority concerned. To raise a cheque is, of course, now quite an expensive business. To pay out to payments into court or orders made against employees, it is necessary, I understand, to make out separate cheques in each case. Surely some simpler way of dealing with these matters would be devised by the courts and the authorities concerned.

The most recent imposition is a local authority which has asked us if we would be prepared to deduct money from the wages of our employees and to pay his rent and his arrears of rent which, through the inefficiency of the authority's own collection arrangements, has now become a substantial sum. Thus, we are asked to make a deduction from our employees' wages, no commission deducted and only additional expenses added.

**From the Secretary,
The Milk Marketing Board.**
Sir—Mrs. J. H. Gillington's letter (September 22) on the dairy industry cannot go unchallenged.
She states, without a shred of supporting evidence, that British farmers are producing far more milk than people want, need or are prepared to pay for. The fact is that milk production in the U.K. now supplies only half the country's total need for milk and dairy products. Even when output was at its highest, in 1972-73, we were only 57 per

ent self-sufficient.

Mr. Gillington is arguing that the country should supply only the country's liquid milk requirements, she is overlooking the fact that milk production fluctuates seasonally, while liquid milk demand fluctuates relatively steadily throughout the year. To ensure supplies in winter it is essential to be able to convert the excess output into cheese and butter during the spring and summer. Total milk production has declined over the last two years, to the point where we shall be perilously close to having insufficient milk for the liquid and fresh cream markets in December.

As to Mrs. Gillington's contention that the production of butter in this country is "uneconomic" (and therefore, presumably, undesirable), perhaps she should study HMG's White Paper, "Food From Our Own Resources," which supports the view—long held by the industry—that a substantial increase in home production of cheese and butter is needed in order to reduce our import bill.

In 1975 the U.K. will spend £25m on 575m lb of its currency reserves, or imported dairy products. Much of that food could be produced at home—if only British farmers were allowed adequate returns.

From Sir James Barber.
Sir.—Mrs. J. H. Gillington
(September 22) says that
British farmers are producing
far more milk than people want.

need, or are prepared to pay for. In fact, in 1974 the amount of milk produced in the United Kingdom was 53 per cent. of our total consumption of milk and milk products.

We produced less than a third of our milk products in 1932, when men and women spent £32m. on buying butter and cheese from abroad. All this at a time when our balance of payments was going from bad to worse. Import saving is a far surer way of increasing our adventures in foreign payments than exporting will ever be.

U.K. dairy farmers should produce much more milk, but to do so they need adequate incentives and sufficient long-term assurances. In contrast to so many other regions within our country, the communities and the climate is ideally suited for dairying and, indeed, increased dairying offers the country a better return on its money than any other agricultural expansion.

We have a large industry for whom a sufficient and expanding supply of milk is fundamental. In the past three years some £40m. has been invested on new

From Mr. R. M. L. Brown,
Davis, Brown and Co.

Sir.—While I appreciate Mr. James Buxton's article about the Banabans (September 12), I feel that I must write to put the record straight on one point.

He writes that the Banabans' legal action is costing them up to £10,000 a day. If they were paying legal costs of this nature it would come to more than their entire income from their share of the phosphate royalties. In fact, to date, their legal costs are less than £500 a day all in.

R. M. L. Brown,
130, Arthur Road,
Wimbledon Park,
London, S.W.19.

Electoral reform

From Mr. G. P. Fothergill.

Sir,—Mr. Rogaly's answers to questions on electoral reform (September 16) prompted by correspondence from the disenfranchised majority did not go far enough in terms of what is required to ensure the re-emergence of parliamentary democracy.

If a consensus emerges on any issue, political parties will always exist. Therefore, any future electoral reform should include legislation to ensure that it is the people, not the party, whose interests are maintained. This can be achieved only by giving the greatest possible

Programme

Second, in order to make this more palatable and to ensure the complete involvement of MPs both in Parliament and at the constituency level, current

salaries should be doubled or even trebled, with a high pension level on retirement or loss of seat.

Third, there should be a minimum age (perhaps 30) for members to ensure that they all have some experience of working for a living (outside any party organisation). This might avoid the presence of so many sixth form Socialists in Parliament on the left, of the all manner of petuners of privilege on the right.

Fourth, a free vote on all legislation should be mandatory, thus providing a yanking check on the acceptability of the government manifesto over time. This would also stop MPs come out from being the protective cloak of party dogma and end party politics as they are to-day where a member, selected for a seat on showing his party manifesto certificate, performs predictably to order regardless of constituents' conscience or commonsense.

These last two points would also help to end what is, to my mind, a constitution in terms of the conscience of the members in politics. No man can

pressure from the disillusioned and disenfranchised majority within this country can, within a short time, bring about the radical changes needed in our society and the emergence, perhaps for the first time, of a true democracy.

**Comprehensive
compulsion**

From Mr. A. Spedding.

Sir.—The likelihood of legislation to compel local authorities to go comprehensive is yet another example of a Government decision for which reason is apparently lacking.

The move from the selective to the comprehensive system of secondary education is one of the great unresearched experiments of our time. For almost 39 years we have experimented in this country with one type of comprehensive system after another, and still there does not appear to be one scrap of valid evidence that any of these systems maintain, or improve on, the academic standards of the selective system. Education of course covers a broader field than examination successes, but examinations remain an important aspect.

Respectably, the educational scene is littered with many statistical nonsense which attempt to show the superiority, in terms of academic achievement,

Imminent, perhaps the Education Secretary can provide some reasonable evidence of superiority, although after almost 30 years one might justifiably expect proof absolute.

A. Spedding,
"Alternat."
Copperkims Lane,
Amersham,
Bucks.

Submarine Pipelines Bill, com.
mittee.

COMPANY RESULTS
Delta Metal (half-year).
Kleinwort Benson, Lonsdale
(half-year).
Metal Closures Group (half-
year).
Ozald Group Holdings (half-
year).
Pearson Longman (half-year).
Southern Agricultural Industries
(half-year).

COMPANY MEETINGS
Alco Investment Trust, Glasgow.
12.30.
Blakey's (Malleable Castings).
Leeds, 11.30.

Standard and Chartered Banking Group Limited changes its name

On the 1st October 1975 the Standard and Chartered Banking Group Limited will change its name to **STANDARD CHARTERED BANK LIMITED**. At the same time branches of The Chartered Bank and The Standard Bank Limited in the United Kingdom will become branches of **STANDARD CHARTERED BANK LIMITED**. Outside the United Kingdom, branches of The Chartered Bank and The Standard Bank Limited will continue to operate under their present names.



Head Office: 10 Clements Lane, London EC4N 7AB
Telephone 01-623 7500 Assets exceed £5.300 million

COMPANY NEWS + COMMENT

BOC tops £34m. after nine months

PROFIT BEFORE tax for the nine months to June 30, 1975 of £20.4m. International reached £34.6m. This compares with £23.7m. for the previous comparable period and £14.0m. for the year to September, 1974.

In June, reporting first half profits up from £14m. to £20.4m., the directors forecast at least £40m. for the full year and a dividend total of 2.415p net on capital increased by the one-for-four rights issue.

After tax up from £11.99m. to £16.8m. and minorities of £2.0m. (£2.43m.) earnings for the nine months, based on the 205.02m. shares in issue at June 30, are shown to be up from 4.34p to 7.1p per 25p share.

	1974-75	1973-74
Group sales	1,000	1,000
Operating costs	862.176	858.922
Depreciation	16.124	14.772
Share associates*	11.957	5.411
Trading profit	11,233	26,232
Europe	26,718	18,930
Africa	7,441	8,840
Asia	11,107	10,727
Pacific	1,433	1,221
Interest	10,314	7,976
Profit before tax	36,464	23,725
Tax	16,786	11,589
Minorities	16,611	13,171
Attributable	14,822	5,309

* Includes £3.68m. from Airco.

Comparative figures include £2.68m. representing profits from date of acquisition.

December 22, 1974 to June 23, 1974.

Statement, Page 22

comment

BOC is duly slowing down but the profit forecast is in no danger. Nine-month profits are 45 per cent ahead pre-tax after growth of a half mid-way through the year, and the group should top £44m. overall for earnings in the region of 8p a share on average capital. That would cover the forecast dividend by close on three times, up 2p to 5.1p yesterday the shares yield 7.2 per cent. BOC will probably be lucky to turn in much more than a maintained final quarter this year but nonetheless at this stage it is still too early to write-off hopes for continued progress overall in 1975-76. The group has plenty of defensive qualities with some two-thirds of earnings arising outside the U.K. and the interest charge has now been rock steady for the past two quarters.

K. O. BOARDMAN

The chairman of K. O. Boardman International, Mr. Kenneth O. Boardman, told the annual meeting that the group had now communicated with the Portuguese Government on the subject of its subsidiary. He hoped that with the support of the British Government useful negotiations would be possible.

Mr. Boardman also said that the full amount of the investment had been provided to the extent of £161,480 and it had been decided to withdraw all financial support and further involvement in this subsidiary.

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Centreway Secs.	20	4	Southern Constructors	22	4
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Elbar Industrial	22	6	Tootal	21	4
Fosco Minsep	20	5	U.D.T.	20	7
Hoskins & Horton	22	5	Vincent (Harry)	21	3
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Downturn at British Vita

DUE PARTICULARLY to the decline of the British automotive industry, pre-tax profit of British Vita Company, the plastics and rubber group, fell from £1.1m. to £0.2m. in the first half of 1975 on turnover up from £13.3m. to £13.8m.

Earnings per 25p share are shown to have fallen from 8.2p to 4.4p. The net interim dividend is effectively raised from 1.66p to 1.70p. Last year's total was equal to 3.49p, paid on a pre-tax profit of £1.98m.

Chairman Mr. Norman Grimshaw says the first-half results reflect the difficulties encountered within the U.K. and more particularly with the continued decline of the British automotive industry. Such price corrections as were achieved were too little and too late against the cost escalations experienced and the decline in volume.

	Half year	Year
1975	1974	1973
Turnover	13,800	13,300
Operating costs	12,145	10,852
Overseas	2,703	2,332
Total	15,848	13,265
U.K. trading loss	319	294
Overseas profit	482	479
Share U.K. assoc.	54	48
Overseas assoc.	42	38
Int. charges	23	23
Int. before tax	625	1,111
Tax	23	1,072
Extraord. debits	29	27
Extraord. credits	27	36
Profit	593	1,048
After exceptional debits	564	1,000

Profit. Interim dividend will be 1.70p. The group will cease or reduce those activities which are too heavily dependent on the British automotive industry and to redeploy floor space and personnel, members are told.

Overseas operations continue to expand and again increased profitability. This should continue as new plants are brought into operation later this year and early in 1976.

Liquidity has been maintained at satisfactory levels and the U.K. has benefited by receipts from the international operations.

Action has been taken to re-balance the management structure with younger executives, the chairman adds.

comment

British Vita lays most of the blame for its drop into U.K. losses at the door of the automotive industry. Caught not only by falling demand but also resistance to increased prices, BV has turned a large part of its energies away from the car industry to concentrate on maximising value-added by producing finished goods rather than components. Mainly this move is in the field of consumer products, including furniture, but coming in from a small base sales are growing despite pressure on the sector as a whole. Elsewhere in the U.K. BV has been happy to keep up turnover at the cost of margins, increasing its market share along the way. The overseas operations cushioning the strain on U.K. profits. The rest of the year at home will still be grim, but 1976 should see the benefits of new ventures and will also, given any refutation, provide the testing ground for the philosophy of chasing market share at the expense of current profits. At 1.5p the prospective yield is over 15 per cent.

E. Shepherd midway progress

In his interim report the chairman of E. Shepherd, Mr. M. H. Swan, tells members that trade for the first six months has shown a marked improvement and sales are 24.5 per cent higher.

Profits also showed an increase but, with rising unemployment in the area, most retailers feel that the second half will prove more difficult.

The interim dividend is 1.3p (1.34p) net equal to 2p gross (same). Last year's total was 4.07p net paid from profits of £384,000 before tax.

The chairman states that the 25 per cent interest acquired by

Joplings—as already announced—was bought at 85p per share from the outgoing chairman, Mr. D. C. Davidson, his family, trustees and associates.

In Mr. Swan's opinion holders will benefit from the enhanced trading and commercial prospects. The new management intend to promote a policy of investment and modernisation at the Gateshead store.

They are optimistic that this course of action will result in greater volume growth of profits. The previous dividend policy of the company will be maintained.

Centreway just ahead at £0.53m.

PROFITS of Centreway Securities, Birmingham-based industrial holding company, showed a marginal increase from £20,093 to £31,483 in the year ended March 31, 1975 after being £54,000 ahead at half-time at £317,000.

At half-way the directors said that they considered pre-tax profits for the year would be higher than those of 1974. Chairman Mr. T. Cross now says that the result is lower than they anticipated. This stemmed from the adverse trading conditions which affected the footwear activity during the second half. However this company is well poised to take advantage of improved conditions within the industry.

For the current year he warns that unless there is some improvement in the recessionary situation, producing an upturn in trade, group profits could well be lower than those for 1975.

Earnings per 10p share are stated at 0.7p (6.4p) basic and 0.4p (6.1p) fully diluted. The dividend is raised from 1.705p to 1.823p net, with a final of 0.879p.

A breakdown of the group's sales and pre-tax profit by activity shows (£000's omitted): footwear £1,099 and £144 (£1,919) and £104, Metal pressings £1,940 and £315 (£1,535 and £267), Rubber Products £561 and £47 (£535 and loss £95), and Property £265 profits (£63).

There was also a first-time contribution of associated company profits from Blake's (Malleable Castings), the Leeds foundry, which with effect from July 1, 1974 amounted to £28,000. Provision of £198,000 has been made to reduce the book value of the group's investment in EFD Group (formerly Ryan-Traders Distribution) to its Market value at March 31, 1975.

	1974-75	1973-74
Sales	4,659,394	4,000,460
Profit before tax	31,483	20,093
Taxation	23,888	21,400
Net profit	7,595	2,693
Extraordinary item	18,223	18,223
Earnings	25,818	20,916
Dividends	7,408	7,407
Retained	18,410	13,509



Sir Donald Barron, chairman of Rowntree Mackintosh, who announces pre-tax profits for the first half of £3.64m. against £1.5m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding payment	Total for year	Total for year
Albany Trust	Int. 0.33	Nov. 18	0.33	—	0.37
Alpine Hldgs.	Int. 0.81	Nov. 14	Nil	—	Nil
British Vita	Int. 1.7	Nov. 6	1.66*	—	3.49*
Shumam	Int. Nil	Nov. 27	2.89	—	2.89
Centreway	Int. 0.94	Oct. 29	1.01	1.53	5.38
Fosco Minsep	Int. 1.54	Jan. 7	1.4	—	3.43
Hoskins & Horton	Int. 1.25	Oct. 31	1.27	—	3.97
Laporte Inds.	Int. 1.2	Dec. 1	2.02	—	4.06
Makum (Assam) Tea	5.38	Oct. 31	5.03(b)	5.03(b)	—
Malaysian Tin	0.58	Nov. 27	0.59	—	0.59
Nigerian Elect.	1.26	Jan. 6	1.18	—	4.25
Rowntree Mackintosh	Int. 1.26	Jan. 6	1.34	—	4.07
E. Shepherd	Int. 1.3	Nov. 1	0.13	—	0.64
Shumam	Int. 0.2	Nov. 6	1.26	1.28	1.28
Throgmorton Sec. Growth	Int. 0.72	Jan. 9	0.72	—	2.04
Harry Vincent	Int. 1.33	Dec. 1	1.33	2.53	2.53
C. and W. Walker	Int. 1.3	Dec. 1	1.3	—	2.55
Youghal Carpets	Int. 3.75(a)	Nov. 14	5	—	3.75

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. (a) On capital increased by 4.194 per cent. scrip issue. (b) For 15 months.

Fosco Minsep improves

FOLLOWING THE indication in June of a continued advance in current year profits, Fosco Minsep reports an increase from £12m. to £17.5m. in the pre-tax figure after the first six months ended June 30, 1975.

This result was achieved despite difficult trading conditions encountered by all the group's trading sectors in the second quarter. These conditions have continued into the third quarter, the directors report.

After tax and minorities the balance attributable to Ordinary holders at exchange rates ruling at December 31, 1974, emerged ahead from £2.94m. to £3.51m. To this is added exchange gains arising on recalculation of the results at exchange rates ruling at September 1, 1975.

Earnings per 25p share are stated at 7.7p compared with 6.2p. The interim dividend is raised from 1.4p to 1.54p. For 1974 a total of 3.4275p was paid from profits of £12.6m.

Dr. D. M. Davies, Mr. A. Dick

ISSUE NEWS & COMMENT

Lee Valley £1m. Pref.

Arrangements have been completed for an offer for sale by tender of £1m. of 1p per cent Redeemable Preference Stock 1980, in Lee Valley Water Company at a minimum price of £98 per cent.

The stock is payable as to £10 per cent. with tenders to be received no later than September 30, the balance being due on October 31. Grossed up flat and redemption yields are 14.13 per cent. and 14.42 per cent. respectively. Dividend will be payable half-yearly on October 1 and April 1 with the first payment of £3.3385 net per cent. due on April 1, 1976.

Brokers to the issue are Seymour Pierce and Co.

comment

The market is evidently short of stock, judging by the lack of turnover in both the recent issues, Bristol and York. But although the demand is there, a one-point premium over the issue price, which both stocks are showing, is enough to hold off the buyers. Lee Valley's issue has a slim yield advantage over the flat 13.99 per cent. and redemption 14.13 per cent. in the market, though the small size of its issue detracts from this. However, because demand appears to be good, this issue should be comfortably oversubscribed and, though would-be buyers seem loath to deal in the market at a price nearer par, they may well be tempted to offer tenders at £98 for Lee Valley's stock.

Abridged details, Page 23

RIGHTS RESULTS

The rights issue by BPR to raise £0.4m. on the basis of one-for-four at 60p was taken up as to 93.27 per cent. Sangers & Sons to raise £1m. on the basis of one-for-three at 50c was accepted by 92.7 per cent. of the shares in issue while D. M. Lancaster's rights to raise £0.1m. on the basis of one-for-one at par (5p) was taken up as to 90 per cent. In all cases the balance was sold in the market at a premium.

£5.95m. mid-term fall at Laporte

REPORTING a slump in pre-tax profit from £7.19m. to £1.24m. in the first half of 1975 Mr. J. L. Harvey, chairman of chemical manufacturers Laporte Industries Holdings, warns that second half results are not expected to be significantly different from those of the first.

Half-yearly earnings per 50p share are down from 10.45p to 1.65p before extraordinary items and from 10.25p to 1.95p after such items. The interim dividend is 1.5p net compared with 2.0205p. Last year's total was £5.95p from profits of £9.55m. The directors intend to declare a 1.5p final for the current year.

Mr. Harvey explains that the result for the first half followed closely the pattern of those achieved in the latter stages of last year. Main reasons are twofold. Firstly, due to the worldwide recession, there is a substantial reduction in demand for the company's main products and this has led to a substantial lowering of volume of sales.

Although all the company's products were affected to some degree, titanium dioxide and phthalic anhydride were particularly hard hit. Secondly, continuing inflation has caused a sharp increase in the cost of raw materials and other costs. Since the outset of recession, every effort has been made to contain costs, improve efficiency and productivity. But the success of efforts has not been sufficient to offset the loss of profit arising from the reduced demand.

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'Lifeboat' support for UDT continues

BY MARGARET REID

United Dominions Trust is likely to have a "long voyage" with the big banks' "lifeboat" support group, which was set up to back banking crisis and from which it is the largest borrower.

The forecast of continued need for support group help was given by the chairman, Mr. Leonard Mather, after yesterday's annual meeting of the group, which is Britain's biggest hire purchase combine. He also declined to estimate any target date by which the "lifeboat" support—believed to be some £450m.—could be dispensed with.

But Mr. Mather had some encouragement to offer, notably over the state of progress with the sale or construction of houses over £100m. outstanding from the group. Provisions of £21.6m. were made against advances on U.K. property in the accounts for 1974, which showed a pre-tax loss of £32.4m. and a £25m. write-down in the value of certain assets.

Some 2,000 houses, Mr. Mather said, had been completed and were in the course of sale another 3,800 were being built, 1,100 were to be started in eight weeks' time.

He remarked, too, that U.D.T. had not reduced its dependence on "lifeboat" support loans since July, but that there had been noticeable improvement in deposits from some of the traditional U.K. clients. The all level of deposits had, he said, fallen since June.

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S. Africa holds back more gold sales

Devaluation makes little difference to working and capital costs which are largely of a domestic nature. These look like continuing on the same rising level as before. What remains to be seen is whether in the light of the apparent rise in gross mine revenues the mining unions will keep to their agreement on voluntary wage restraint. It is also a moot point as to whether the mining companies will raise dividends in Rand terms by a sufficient amount.

The annual report of the consolidated Gold Fields group's beach sand and minerals company in Australia, Associated Minerals Consolidated, presents a general picture of expansion in the company with the previously announced profit increase for the year to June.

The directors venture no opinion about 1975-76 prospects for which a number of

Nigerian tin producer Gold Base announced that its profit of £12,000 for the same period is £22,000 for the same period in 1974 compared with £22,000 for the same period in 1973.

Efforts are being made by increased productivity and localisation to combat part of the high costs occasioned by recent wage awards.

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changed.

that paid for the year 1974, i.e. F.7 per share or F.10.50 per share taking into account the tax credit.

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Efforts are being made by increased productivity and rationalisation to combat part of the high costs occasioned by recent wage awards.

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ACCOUNTANCY APPOINTMENTS

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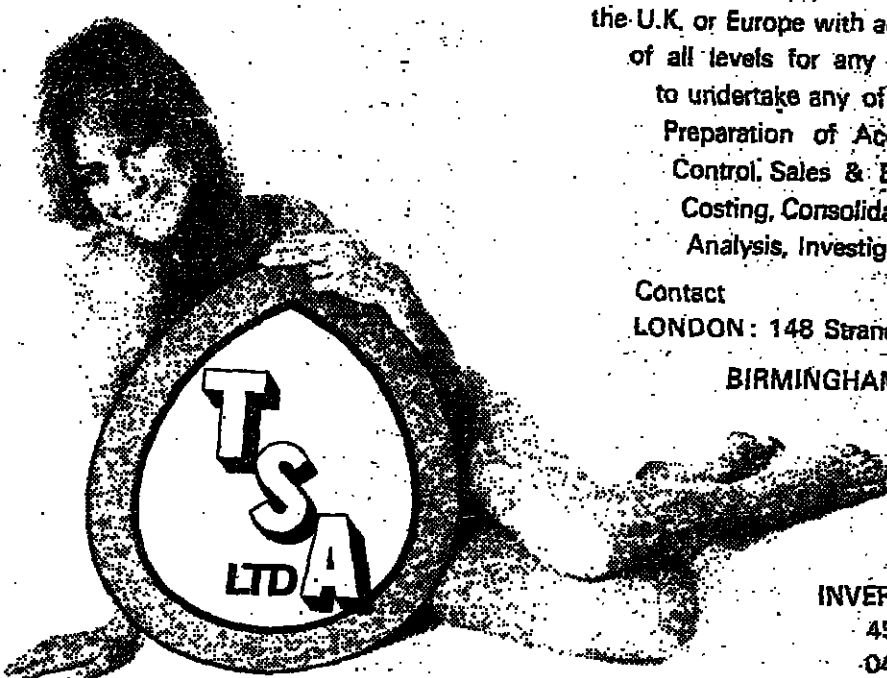
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GENERAL APPOINTMENTS

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Slough

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INVESTMENT ANALYSTS

A leading firm of London stockbrokers has three vacancies in its research department.

One is for an 'ENGINEERING' analyst with two years or more relevant experience with another stockbroker or financial institution. He will be required to maintain and further the firm's extensive connections within the industry and to provide appropriate recommendations for investment action, based on clear oral and written reports.

The other positions are for two TRAINEE analysts which would suit recently qualified graduates or young accountants. Their function initially will be to assist a senior analyst in the research of a specialised sector. Progress will be based on ability. Salaries will be competitive plus profit sharing. There is a non-contributory pension scheme incorporating good insurance cover. Applications in strict confidence to

Box A.5252, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICES

REPUBLIC OF SOUTH AFRICA

81% — 1970/1982 — UA 20,000,000 LOAN

Notice is hereby given to bondholders of the above Bonds that the amount redeemable on December 30, 1975, i.e. UA 1,000,000 was bought in the market.

Amount outstanding: UA 16,300,000

Outstanding drawn Bonds: 7886-8123 to 8126 incl.
Luxembourg, September 25, 1975

THE FISCAL AGENT
KREDIETBANK
S.A. Luxembourg

MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

NOTICE IS HEREBY GIVEN THAT

the forty sixth annual general meeting of members of Minerals and Resources Corporation Limited will be held at the Bank of Bermuda, 24-25, Broad Street, Hamilton, Bermuda, at 2.45 p.m. on Thursday, 16th October, 1975, for the following business:

1. To receive and consider the statement of accounts and the reports of the directors and of the auditors for the year ended 30th June 1975.
2. To elect directors.
3. To fix the remuneration of the directors for the past audit and to appoint auditors for the ensuing year.
4. Special business: To consider and, if resolved, to pass with or without amendments, the resolutions proposed by the directors and to authorise the directors to carry out such arrangements as they may think fit in connection with the carrying out of the business of the Corporation.

That the above-Laid resolutions are proposed by the directors of the Corporation and that the resolutions are proposed by the directors of the Corporation and that the resolutions are proposed by the directors of the Corporation.

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SOCIETE CIVILE DES PROPRIETAIRES D'OBLIGATIONS

10% — 1970-1982 de FF. 1000 de la BANQUE DE PARIS ET DES PAYS-BAS

Siège Social: 4, Avenue de l'Opéra — PARIS 2ème

DEUXIEME AVIS DE CONVOCAZIONE

L'Assemblée Générale Ordinaire des Propriétaires d'Obligations 10% — 1970-1982 de FF. 1000 de la Banque de Paris et des Pays-Bas, établie en vertu de la loi du 10 août 1933, a décidé de convoquer les propriétaires d'obligations 10% — 1970-1982 de FF. 1000 de la Banque de Paris et des Pays-Bas, pour la tenue de l'Assemblée Générale Ordinaire, le mardi 15 octobre 1975 à 11 heures à Paris, 4, Avenue de l'Opéra, 2ème étage, pour délibérer et statuer sur l'Ordre du jour suivant, précédemment proposé lors de la première convocation:

1. Ratification de la désignation des premiers Administrateurs de la Société Civile des Propriétaires d'Obligations 10% — 1970-1982 de FF. 1000 de la Banque de Paris et des Pays-Bas, conformément à l'article 7 des statuts de la Société Civile.
2. Les pouvoirs d'obligations, pour pouvoir assister ou se faire représenter à l'Assemblée, devront déposer leurs titres cinq jours au moins avant la date fixée pour la réunion dans le lieu où les titres sont déposés, à la disposition des propriétaires d'obligations qui en feront la demande.

DEMANDE DE PARIS ET DES PAYS-BAS

Siège Social: 4, Avenue de l'Opéra — PARIS 2ème

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at the Company's offices at 4, Avenue de l'Opéra, 2ème étage, on Tuesday, 15th October, 1975 at 11.00 a.m. for the following purposes:

1. To receive Reports of the Directors and Auditors for the period up to and including 30th June 1975.
2. To ratify the appointment of the first Administrators of the Company.
3. To ratify the powers of the Obligations, in order to be able to attend or be represented at the Meeting.

By Order of the Board
Philippe
Manager for the Director General

THE SOUTH BRITISH INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at the Company's offices at 4, Avenue de l'Opéra, 2ème étage, on Tuesday, 15th October, 1975 at 11.00 a.m. for the following purposes:

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By Order of the Board
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Manager for the Director General

LEGAL NOTICES

No. 002019 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LIPSTICK PRESENTATIONS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 30th day of September, 1975, presented to the said Court by W. Photoprint Limited whose registered office is at 176, High Road, East Finchley, London, N3 9AS, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W2CA 2LL on the 26th day of October, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of the hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

Wm. F. PRIOR & CO.,
Temple Bar House,
33-35, Fleet Street,
London, E.C.4.

Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention to do so, and must also state the name and address of the person, or if a firm, the name and address of the firm, or his or their solicitor, if any, and must be served, or if posted, must be sent by post, not later than four o'clock in the afternoon of the 10th day of October, 1975.

Wm. F. PRIOR & CO.,
Temple Bar House,
33-35, Fleet Street,
London, E.C.4.

Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention to do so, and must also state the name and address of the person, or if a firm, the name and address of the firm, or his or their solicitor, if any, and must be served, or if posted, must be sent by post, not later than four o'clock in the afternoon of the 10th day of October, 1975.

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PROPERTY

Prop. Company seeking tenant

13 solo 999-yr. lease newly converted Georgian House, 10, Cornhill, City, London, EC3A 3BU. Top flat views, delightful, fully furnished, better ground floor, not unfurnished. Best value investment.

Two Flats & Freehold

£20,000 or £15,000

cash plus security and/or Ag. land. Montrose Properties, Cornhill, Devon.

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Index gains 6 on oil price hopes

BY OUR WALL STREET CORRESPONDENT

AN UPWARD movement on Wall Street today followed speculation that major oil exporting nations will opt for only a moderate price increase at the meeting currently underway in Vienna. But late profit-taking cut best levels.

The Dow Jones Industrial average finished 6.34 up at 826.18, after rising more than 12 points. The NYSE All Common Index gained 45 cents to 843.31, while volume fell by nearly three-to-one. Trading volume expanded 2.3m. shares to 14,06m.

The upswing was spurred by Saudi Arabia's announced preference for a freeze on oil prices. Speculation spread widely that OPEC would raise oil prices 10 per cent, the most modestly considered less than that while operators were further encouraged by White House comments that "no increase by OPEC is justified in the view of the U.S."

Oil prices improved on expectations of higher oil prices soon. EXXON rose \$1 to \$31.41 and Gulf \$1 to \$21.12, the two major Middle East producers.

Phillips Petroleum were up \$1 to \$50.75, Atlantic Richfield \$1 to \$10.11 and Natamex \$1 to \$2.91. General Motors put on \$1 to \$50.01 on improved September car sales. Ford and Chrysler were also firm, although each reported lower sales for the same period.

Polaroid, the most active issue, edged up \$1 to \$19.51. It started a market-wide "pumped" instant picture camera.

National Semiconductor, also active, advanced \$1 to \$44.44. NCR dropped \$2 to \$25.01 on its expectation third quarter net will fall short of last year's record.

EBI recovered \$1 to \$53.33. Copperweld gained \$1 to \$38.01 on the proposed acquisition by Societe Metal of France.

Steel issues rallied. ASA put on \$1 to \$32.01, Campbell Redlake \$1 to \$22.51, Dome Mines \$1 to \$23.01 and Homestake Mining \$1 to \$26.01. The American SE Market Value Index rose 0.59 to 84.74, while advances led declines by 337 to 308.

Pall moved up \$1 to \$41.01 on higher earnings and also a proposed two-for-one stock split. But Conoco edged down \$1 to \$41.01 on discontinued opposition to an offer by Flagstaff, up \$1 to \$33.01.

OTHER MARKETS
Canada rallies
All sectors rallied in light trading on Canadian stock market yesterday.

The Toronto Stock Index rose 1.17 to 188.02. Golds 10.7 to 281.50. Base Metals 0.69 to 75.91. Western Oils 5.21 to 187.89. Utilities 0.75 to 121.55. Banks 1.20 to 272.52 and Papers 2.26 to 103.33.

JOHANNESBURG
Indices and share prices were mixed. The Industrial Index rose 0.15 to 188.02. Golds 10.7 to 281.50. Base Metals 0.69 to 75.91. Western Oils 5.21 to 187.89. Utilities 0.75 to 121.55. Banks 1.20 to 272.52 and Papers 2.26 to 103.33.

STOCKS AND BONDS
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Dome Petroleum gained \$1 to \$51.12. Raw Valley Industries also \$1 to \$44.44 and Johnson's Ray Oil and Gas \$1 to \$21.12.

PARIS—Nervously higher against a background of uncertainty on Currency, Gold and Oil markets.

Banks, Engineering, Electrical, Chemicals and Construction gained ground. But Stores, Metals and Oils weakened.

CGE rose Frs.5 to Frs.286.5 following interim profit figures.

Foreign stocks were mixed, with Americans, Dutch and International Oils advancing, while Germans and Golds eased.

BRUSSELS—Stocks improved slightly in very quiet trading.

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STEELS, Metals and Oils moved up. Van Gilder Zonen Paper Mills rose Fls.2 to \$7.

Berkley weakened on almost halting first-half profit.

Most Dutch Internationals advanced on strong demand, with the initially firmer dollar aiding sentiment. Royal Dutch firm Fls.1.3 to 95.8, also Fls.0.3 to 33.6 and Hoogovens Fls.0.4 to 50.8.

MILAN—Marginally down, although several Blue Chips, such as Fiat, Olivetti and IRI were stronger.

GERMANY—Mixed to higher, although buying interest diminished later.

Banks were all better, with Dresdner up DM.30 to DM.277. Commerzbank DM.1 to DM.130 and Deutsche Bank DM.2.90 to DM.302.

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Banks were all better, with Dresdner up DM.30 to DM.277. Commerzbank DM.1 to DM.130 and Deutsche Bank DM.2.90 to DM.302.

STEELS, Metals and Oils moved up. Van Gilder Zonen Paper Mills rose Fls.2 to \$7.

Berkley weakened on almost halting first-half profit.

Most Dutch Internationals advanced on strong demand, with the initially firmer dollar aiding sentiment. Royal Dutch firm Fls.1.3 to 95.8, also Fls.0.3 to 33.6 and Hoogovens Fls.0.4 to 50.8.

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FARMING decline hits agrochemicals

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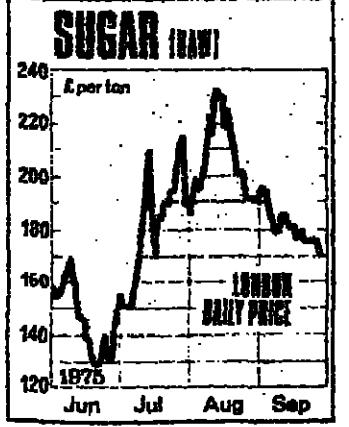
By Richard Mooney

LONDON SUGAR prices fell again yesterday in response to reports of low-priced transactions on the world market. In the morning the London daily price was marked down 26 to 170 a ton—the lowest level since early July—while on the terminal market December delivery sugar ended 29 1/2 down, at 166 1/2 a ton.

Dealers attributed the fall mainly to overnight news that Morocco had been able to buy three cargoes of raws relatively cheaply at Tuesday's tender.

Reports that Thailand had sold sugar at a lower price than the one it had rejected at a selling tender last week added to the "bearish" tone. The low price was said to have been secured by the increased world crop this year.

Recent depressing news on the European beet crop has had little effect on the tone of the market as dealers feel that a very good European crop has already been discounted at current levels. But a continuing source of nervousness to the market "bears" is the fear of Russian buying on the world market.



Our New Delhi correspondent writes: India expects to earn a record Rs.4,500m (£240m) in foreign exchange from sugar exports this year. This is more than double the earnings in 1974 when sugar exports fetched nearly Rs.2,000m.

The record export prospects are possible because of an excellent production performance of 4.84m tonnes in the 1974/75 season owing to timely monsoon rains, which have helped sugar cane and other crops.

Sugar exports have shown a considerable surge in the past three years. India became a sugar exporter for the first time in 1956. Exports between then and 1973 averaged about 200,000 tonnes. In 1974 exports rose to 250,000 tonnes and then doubled in the next year. This year nearly 600,000 tonnes have already been exported and further shipments are to be made.

● Mexico's 1974-75 sugar production was 2,550m tonnes, 7.4 per cent less than that of the previous year, according to the National Sugar Producers' Association, reports Reuters from Mexico City.

The harvest, just ended, was also 10.7 per cent less than the Government forecast for the year.

Association officials said the fall was due mainly to delays at the mills, mostly Government-owned, which were unable to process about 1.5m tonnes of cane. This year's production will only just cover domestic demand, estimated by market sources at 2.4m tonnes.

Curbed on rubber output

KUALA LUMPUR, Sept. 24.

THE MALAYSIAN Government is permitting selected rubber producers to resume latex yield stimulation, using ethrel, a chemical to hasten latex flow.

A Ministry spokesman said here, Forests, Rubber, Government and rubber industry sources said several small and medium-sized estates had been authorised to resume ethrel stimulation over the past few days. Many applications from producers were being considered.

Ethrel, which is painted onto the rubber tree bark near the tapping panel, increases the flow of latex substantially and in laboratory tests has been known to double it.

But commodities staff writers said the announcement made little impact on the London rubber market where prices finished only slightly lower. The move, which had been widely rumoured, was likely to encourage marginally Malaysia's harvesting position in its talks with other rubber producers on the establishment of a strategic stockpile.

In the short term, however, writers of the report said the consumer interest evoked during the past month should be sufficient to cushion any "bearish" effects on the market.

Farming decline hits agrochemicals

BY RAY DAFTER, RECENTLY IN SYDNEY

Australian farming problems have led to a substantial drop in agrochemicals business, according to the Agricultural and Veterinary Chemicals Association of Australia (AVCA).

Mr. Brad Brett, executive director of AVCA, forecasts that its members' turnover in the agrochemical sector in the 1975/76 season will be between \$50m and \$60m, a 20 per cent drop on the 1974/75 season's \$75m.

"With the wool sector just holding its own and the meat side at the bottom of the trough, we are feeling the effects of the rural downturn," he said. "Farmers are cutting inputs to their minimal needs."

The beef market has been particularly badly hit. Its demoralisation is in sharp contrast to the optimism of three years ago when Australia produced 1.5m tonnes and shipped 40 per cent overseas. It was hoped that, by this year, the farmers would be exporting 70 per cent of annual production of well over 1.5m tonnes.

As it happens, they have been exporting less than 30 per cent of beef output which farmers have been striving to hold below 1.4m tonnes.

Wool prices have slumped in spite of the Australian Wool Corporation's decision to intervene and buy 41 per cent of offerings between October and April.

It is against this harsh background—tempered somewhat by the more stable wheat market—that agrochemical manufacturers have been trying to build up sales and extend the use of their herbicides, pesticides and other crop care products.

AVCA reckons that perhaps 77,000 square kilometres—one per cent of the Australian land surface—are treated with pesticides. This includes herbicides to broad acre crops such as

LME zinc values drop sharply

By John Edwards, Commodities Editor

ZINC PRICES fell sharply on the London Metal Exchange yesterday, following a Reuters report from Brussels that Vieille Montagne claimed to be Europe's largest zinc smelter. The report was not in favour of an increase in the European producer price from its present level of \$380 a tonne.

Sources close to the company were quoted as saying that, although the value of sterling had fallen some 10 per cent against the Belgian franc compared with a year ago, the recession in industrial activity and low level of demand did not make this a good time to consider a price rise.

It was added that suggestions in some quarters of a price rise to \$400—a 5 per cent increase—were unrealistic. Reacting to this and the recent increase in zinc stocks and the lower undertone in lead, cash zinc last 29 1/2, to \$338 a tonne, in the face of heavy stop loss selling.

However, it has been rumoured recently that a compromise rise to \$350 a tonne might well be a possibility, in view of the pessimistic outlook of demand in several major European markets.

Although other U.S. producers have so far failed to follow the price increase of cents to 41, a 2 1/2 cent advance recently by New Jersey Zinc, effective from October 10, it was pointed out that the gap between the European producer quotation and the major U.S. price of 28 cents a lb. had widened to 10 cents a lb.—well above the normal differential.

It is felt that, although the New Jersey Zinc rise could well have been motivated by the company's merchant zinc business and is not likely to be followed by the big U.S. producers, it is a sign that the U.S. producers are unlikely to move prices down nearer to the European level. So if the gap is to be closed it is more likely to be by a rise in Europe.

It is believed that the unofficial producers' meeting has now been postponed by a week, until October 8, but a decision

HIGHER BRAZIL SOYABEAN OUTPUT

RIO DE JANEIRO, Sept. 24.

Brazil's current soyabean crop was put at 5.7m tonnes in the official forecast by the foreign trade department of the Bank of Brazil (CACEJ), against a final estimate of 7.5m tonnes for 1974.

The year's output includes a carry-over from last year of 300,000 tonnes, he added.

The spokesman said this year's final estimate compared with a previous estimate of 5.2m tonnes in February of this year. It was a prediction of 5.5m tonnes in July.

NICKEL PRICE INCREASES

By Our Commodities Staff

A sharp rise in the U.K. nickel prices, with effect from October 1, has been announced by Le Nickel, the French-based producer. It is putting the cost of nickel roundels up to £2,475 a tonne, delivered to customers' works.

This includes the world price increase last month plus a decline in the value of sterling against the dollar, depreciating the exchange rate on which U.K. prices are calculated.

Le Nickel's nickel roundels F.N.I. rises to £2,385 a tonne, C.I.F. U.K. port, and F.N.C. to £2,314 a tonne.

Research

A number of major companies like ICI, Ciba-Geigy, Pfizer, Merck, Sharp and Dohme and Smith Kline and French have established research stations in Australia.

There is an underlying concern that a drop in the turnover, plus squeezed profitability and increasing legislative controls throughout the world, could affect research and development—the lifeblood of the industry. AVCA has warned the Government that member companies are reviewing their continuing investment in animal health care field because of various strictures on prices and profitability.

The association has stressed the problems arising from lack

Gassing of 'TB-threat' badgers begins

BY PETER BULLEN

HUNDREDS of badgers suspected of spreading bovine tuberculosis among cattle in south west England are to be exterminated with hydrogen cyanide gas.

Details of the Ministry of Agriculture campaign, which has already started in Dorset, were given at the first meeting of the

COMMODITY MARKET REPORTS AND PRICES

SILVER			
High Grade	21.21	21.21	21.21
Low Grade	21.15	21.15	21.15
1000	21.15	21.15	21.15
500	21.15	21.15	21.15
250	21.15	21.15	21.15
125	21.15	21.15	21.15
62.5	21.15	21.15	21.15
31.25	21.15	21.15	21.15
15.625	21.15	21.15	21.15
7.8125	21.15	21.15	21.15
3.90625	21.15	21.15	21.15
1.953125	21.15	21.15	21.15
976.5625	21.15	21.15	21.15
488.28125	21.15	21.15	21.15
244.140625	21.15	21.15	21.15
122.0703125	21.15	21.15	21.15
61.03515625	21.15	21.15	21.15
30.517578125	21.15	21.15	21.15
15.2587890625	21.15	21.15	21.15
7.62939453125	21.15	21.15	21.15
3.814697265625	21.15	21.15	21.15
1.9073486328125	21.15	21.15	21.15
953.67431640625	21.15	21.15	21.15
476.837158203125	21.15	21.15	21.15
238.4185791015625	21.15	21.15	21.15
119.20928955078125	21.15	21.15	21.15
59.604644775390625	21.15	21.15	21.15
29.8023223876953125	21.15	21.15	21.15
14.90116119384765625	21.15	21.15	21.15
7.450580596923828125	21.15	21.15	21.15
3.7252902984619140625	21.15	21.15	21.15
1.86264514923095703125	21.15	21.15	21.15
931.32257470703125	21.15	21.15	21.15
465.661287353515625	21.15	21.15	21.15
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3.6379788074493408203125	21.15	21.15	21.15
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28.4217094314727778203125	21.15	21.15	21.15
14.21085471573638891015625	21.15	21.15	21.15
7.105427357868194455078125	21.15	21.15	21.15
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211.758251659249303051171875	21.15	21.15	21.15
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13.2348907287030814441932321875	21.15	21.15	21.15
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3.308722682175770361048308046875	21.15	21.15	21.15
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827.18067057094294257621875	21.15	21.15	21.15
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206.795167642735735644046875	21.15	21.15	21.15
103.3975838213678678220234375	21.15	21.15	21.15
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12.9246979776709834777529296875	21.15	21.15	21.15
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11.4794403789570676271890190972222880859375	21.15	21.15	21.15

NOTICE OF REDEMPTION

to the Holders of

The Metropolis of Tokyo

5 1/2 % Guaranteed Dollar Bonds due April 15, 1979

NOTICE IS HEREBY GIVEN THAT One Million Seven Hundred Thousand Dollars (\$1,700,000.00) principal amount of the Metropolis of Tokyo, Fifteen Year 5 1/2 % Guaranteed Dollar Bonds due April 15, 1979 and bearing the following serial numbers have been drawn for the account of the Sinking Fund for redemption on October 15, 1975.

COUPON BONDS

7	1473	2777	4253	5627	7001	8375	9749	11123	12497	13871	15245	16619	17993	19367	20741	22115	23489	24863	26237	27611	28985	30359	31733	33107	34481	35855	37229	38603	39977	41351	42725	44099	45473	46847	48221	49595	50969	52343	53717	55091	56465	57839	59213	60587	61961	63335	64709	66083	67457	68831	70205	71579	72953	74327	75701	77075	78449	79823	81197	82571	83945	85319	86693	88067	89441	90815	92189	93563	94937	96311	97685	99059	100433	101807	103181	104555	105929	107303	108677	110051	111425	112799	114173	115547	116921	118295	119669	121043	122417	123791	125165	126539	127913	129287	130661	132035	133409	134783	136157	137531	138905	140279	141653	143027	144401	145775	147149	148523	149897	151271	152645	154019	155393	156767	158141	159515	160889	162263	163637	165011	166385	167759	169133	170507	171881	173255	174629	176003	177377	178751	180125	181499	182873	184247	185621	186995	188369	189743	191117	192491	193865	195239	196613	197987	199361	200735	202109	203483	204857	206231	207605	208979	210353	211727	213101	214475	215849	217223	218597	219971	221345	222719	224093	225467	226841	228215	229589	230963	232337	233711	235085	236459	237833	239207	240581	241955	243329	244703	246077	247451	248825	250199	251573	252947	254321	255695	257069	258443	259817	261191	262565	263939	265313	266687	268061	269435	270809	272183	273557	274931	276305	277679	279053	280427	281801	283175	284549	285923	287297	288671	290045	291419	292793	294167	295541	296915	298289	299663	301037	302411	303785	305159	306533	307907	309281	310655	312029	313403	314777	316151	317525	318899	320273	321647	323021	324395	325769	327143	328517	329891	331265	332639	334013	335387	336761	338135	339509	340883	342257	343631	345005	346379	347753	349127	350501	351875	353249	354623	355997	357366	358740	360114	361488	362856	364230	365604	366978	368352	369726	371100	372474	373848	375216	376590	377964	379338	380712	382086	383460	384834	386208	387582	388956	390330	391704	393078	394452	395826	397200	398574	399948	401322	402696	404070	405444	406818	408192	409566	410940	412314	413688	415062	416436	417810	419184	420558	421932	423306	424680	426054	427428	428802	430176	431550	432924	434298	435672	437046	438420	439794	441168	442542	443916	445290	446664	448038	449412	450786	452160	453534	454908	456282	457656	459030	460404	461778	463152	464526	465900	467274	468648	470022	471396	472770	474144	475518	476892	478266	479640	481014	482388	483762	485136	486510	487884	489258	490632	492006	493380	494754	496128	497502	498876	500250	501624	502998	504372	505746	507120	508494	509868	511242	512616	513990	515364	516738	518112	519486	520860	522234	523608	524982	526356	527730	529104	530478	531852	533226	534600	535974	537348	538722	540096	541470	542844	544218	545592	546966	548340	549714	551088	552462	553836	555210	556584	557958	559332	560706	562080	563454	564828	566202	567576	568950	570324	571698	573072	574446	575820	577194	578568	579942	581316	582690	584064	585438	586812	588186	589560	590934	592308	593682	595056	596430	597804	599178	600552	601926	603300	604674	606048	607422	608796	610170	611544	612918	614292	615666	617040	618414	619788	621162	622536	623910	625284	626658	628032	629406	630780	632154	633528	634902	636276	637650	639024	640398	641772	643146	644520	645894	647268	648642	650016	651390	652764	654138	655512	656886	658260	659634	661008	662382	663756	665130	666504	667878	669252	670626	672000	673374	674748	676122	677496	678870	680244	681618	682992	684366	685740	687114	688488	689862	691236	692610	693984	695358	696732	698106	699480	700854	702228	703602	704976	706350	707724	709098	710472	711846	713220	714594	715968	717342	718716	720090	721464	722838	724212	725586	726960	728334	729708	731082	732456	733830	735204	736578	737952	739326	740700	742074	743448	744822	746196	747570	748944	750318	751692	753066	754440	755814	757188	758562	759936	761310	762684	764058	765432	766806	768180	769554	770928	772302	773676	775050	776424	777798	779172	780546	781920	783294	784668	786042	787416	788790	790164	791538	792912	794286	795660	797034	798408	799782	801156	802530	803904	805278	806652	808026	809400	810774	812148	813522	814896	816270	817644	819018	820392	821766	823140	824514	825888	827262	828636	830010	831384	832758	834132	835506	836880	838254	839628	841002	842376	843750	845124	846498	847872	849246	850620	851994	853368	854742	856116	857490	858864	860238	861612	862986	864360	865734	867108	868482	869856	871230	872604	873978	875352	876726	878100	879474	880848	882222	883596	884970	886344	887718	889092	890466	891840	893214	894588	895962	897336	898710	900084	901458	902832	904206	905580	906954	908328	909702	911076	912450	913824	915198	916572	917946	919320	920694	922068	923442	924816	926190	927564	928938	930312	931686	933060	934434	935808	937182	938556	939930	941304	942678	944052	945426	946800	948174	949548	950922	952296	953670	955044	956418	957792	959166	960540	961914	963288	964662	966036	967410	968784	970158	971532	972906	974280	975654	977028	978402	979776	981150	982524	983898	985272	986646	988020	989394	990768	992142	993516	994890	996264	99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FINANCIAL TIMES REPORT

Thursday September 25 1975

هكذا من الأصل

THE AUSTRIAN CONSENSUS

Social partnership, the supposedly magic formula explaining Austria's economic wellbeing, really means the willingness of labour and entrepreneurs to live and let live. As Dr. Bruno Kreisky, the Chancellor, once put it: 'Neither social partner has ever gone far enough for the other to get up from the table determined not to return'.

rare
degree
ity

By W. L. Luetkens

RIA IS in the midst of election campaign, and judges the posters one might see that the parties are to tear up that social pact or partnership which sedately explains why Austria is to be closer than almost any other State to combining employment with low inflation in a troubled world. The conservative Austrian People's Party (ÖVP): "ÖVP to make the Viennese job quite clear that when the settles after October 5, in day, social partnership, only in part formalised, of both sides of the civil war, the new ÖVP who is trying to barge into a coalition Government has made "cooperation"

his watchword. The Chancellor, Dr. Bruno Kreisky, who is trying to defend the first absolute majority ever won by Socialists in the Austrian Parliament, lets it be known that he would consider co-opting into Government individuals from the other side, though not the entire ÖVP lock stock and barrel. In other words, both contestants know that cooperation rather than confrontation appeals to the public. And that is what in the world of industry social partnership is all about.

The concept itself is rooted deeply in the history of Austria and of Austrian political thought. The Habsburg monarchy more than 100 years ago pioneered compulsory Chambers of Commerce to represent the interests of business not least vis-à-vis the Government itself. The First Republic, after the first World War, added Chambers of Labour, similarly to represent labour and employees, though not in matters of collective bargaining, and Chambers of Agriculture for the peasantry. Austrian Christian Social thought saw these institutions as means towards achieving social harmony in a country wracked by economic crises; the far-reaching structural adjustments needed in a country almost made unviable by the disappearance of its Central European empire, and by the Great Depression, led to mass unemployment, civil war, the establishment of a corporate state, and eventually to the German occupation. That occupation and more

particularly its end in 1945 created the ground upon which social partnership could flourish in its present form. Left and Right, "Red" and "Black," had found themselves in the same concentration camps. German rearmament speeded up industrialisation, in particular at the Linz and Donawitz steel complexes. Then the Russians from 1945 and 1955 occupied eastern Austria including many Socialist strongholds. The debilitating effect upon the local economies of that occupation is still visible in places. The Austrian Socialists had never been friends with what always was an insignificant Communist Party; but experience with the Germans and the Russians almost certainly increased the readiness of the Socialist Party and the Socialist-dominated trade union federation, the OeGB, to play their part in what is, however hedged around a market economy.

Perilous

That social consensus, allied to the need to steer a small country through a perilous world, found its political reflection in the ÖVP-Socialist Grand Coalition which ruled Austria until 1966. It then gave way to one-party rule by the ÖVP and subsequently the Socialists.

Before the demise of the Grand Coalition the social partners had created, in 1957, what has become the main institution of their collaboration, the Joint Commission on Prices and



Anton Benja (left), head of the Austrian trade unions, and Rudolf Sallinger (right), head of the Chamber of Business. As long as they continue to speak each other's language, social partnership continues to work.



Wages. It is also referred to as the Parity Commission in a rough translation of the German title, which conveys that within the Commission representatives of labour and of entrepreneurial interests — the partners — enjoy parity. The manner in which this parity is achieved somehow illustrates the entire pragmatic and unsystematic basis upon which the whole thing works: labour is represented by the Chamber of Labour and the OeGB, the other side by the Chamber of Business (head of the Chambers of Commerce network) and the

Chamber of Agriculture. The side, in order not to put labour in a minority — but it doesn't really matter anyway, since decisions have to be unanimous. Besides the partners, the Government is also represented in the Joint Commission.

It is best sort out what the Joint Commission is not. It is not an instrument of indicative planning; both sides dislike targeting. It is not an instrument of incomes policy; it discusses (but does not negotiate) wages, but not the other forms of income. It is not an instru-

ment of wage or price control, since the whole set-up is voluntary. The Commission has no powers of direction. In certain cases it may ask the Government to order a price increase to be suspended (for instance under usury laws), but that would require unanimity and does not in practice occur.

Besides sub-committees dealing with wages and prices, the Joint Commission also has a sub-committee staffed by economists from the labour, employer and farmer side, which make proposals to the Government on how best to deal with economic policy matters as they arise. The worldly wise Austrians (unlike for instance the Germans) have preferred to give this advisory task to the representatives of vested interest rather than to an academic body.

The entire rôle of the Commission hinges upon an undertaking by the employers that they will report intended price increases to the Commission, and by the OeGB not to allow its member unions to lodge wage claims before the matter has been threshed out in the wages sub-committee of the Joint Commission. Since the OeGB exercises firm control over its member unions, the effect has been to prevent the breather between wage rounds becoming shorter. On the side of prices, the effect has probably been that many an entrepreneur has been "beaten down" by pressure from the group. But it would be foolish

to pretend that price or wage increases even of an inflationary nature have been eliminated.

Thus the consumer price index rose by 7.8 per cent in 1973 and 9.5 per cent in 1974, of which 0.3 and 1.2 per cent respectively were contributed by the special case of energy. Moreover, unit labour costs in industry has been rising by roughly 10 per cent a year and may have accelerated in 1975. Two points deserve to be made at this stage: the inflation rate (though not the increase of unit costs) was and remains low by international standards; a country as dependent as Austria is upon world markets can never hope to insulate itself completely. What has been done has been to cushion the shock.

Shrewd

In a shrewd evaluation of the whole system published as long ago as 1972 by the OECD and written by Mr. Derek Robinson of the Oxford Institute of Statistics, the point is made that the assessment as to whether a prices or wage policy is working may depend upon whether people believe it is (for the simple reason that inflation can also be caused by psychological factors). Mr. Robinson recorded that the social partners in Austria believed that their system was working — and that is true to this day.

Will it remain true? There can be no doubt that the Joint Commission made its reputation at a time when the world climate was favourable. The 1966-67 recession did not seriously hurt Austria, and close economic links with West Germany had a stabilising effect. Precisely because the Grand Coalition had broken down, the party in power was anxious to keep open lines of communication through the Joint Commission.

On the other hand complaints are increasing on the "Black" side that the OeGB is extending its influence throughout industry by workers' participation, by its financial resources (dealt with elsewhere in this survey), and by its close links with the Socialist Government. Partnership, the argument runs, is in danger of becoming lopsided. A fair row is in prospect shortly about OeGB proposals to assure all workers the right of up to one year's severance pay upon dismissal (a right which white collar people already have).

Employers would have to provide in their accounts against the resulting contingencies, the provisions receiving privileged tax treatment. The OeGB is putting forward the claim that part of these contingencies should be put into a fund and invested on behalf of the workers by workers' representatives. "Backdoor socialisation," cry the "Blacks". The interesting thing, how

CONTINUED ON NEXT PAGE



QUALITY
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TECHNICAL EXPERTISE

three characteristics underlying the
Strength and Success of Austrian industry

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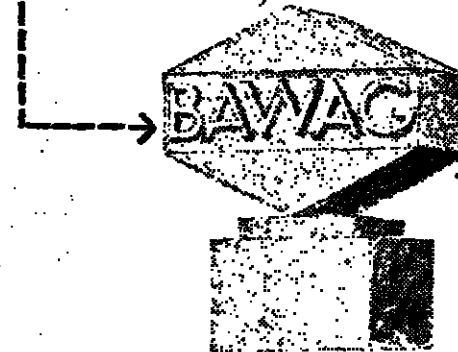


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Partnership

CONTINUED FROM PREVIOUS PAGE

ever, is that they do hard to visualise any government that would care to challenge them when they stand together.

From all this it follows that partnership will not be easily abandoned, even though a succession of years with no growth as a result of world recession will sorely test it. The years of growth which ended with 1974 made it easy to collaborate, and at the present nobody knows what happens next. It is plain that little Austria cannot insulate itself from the world.

From what has gone before it also follows that the Austrian model is one that others cannot easily adapt let alone adopt. But for a start the works councils might repay looking at as a means to keeping open two-way communication between labour and management in individual shops and enterprises. Yet the system as a whole is a reflection of the existing social consensus and perhaps its preserver—not the reason for its existence. In the end, one might say that it is all done by mirrors.

In the dim, dark past, long before the invention of social partnership, an Austrian officer at a time of civil commotion ordered his men to point their guns at a barricade and said: "Men, when I give the command you will fire. If you hit, you will blow everything to bits. If you miss, the psychological effect will be tremendous." That is Austria for you.

Herr Anton Benya, President of the OeGB, is a skilled metal worker by trade; Herr Josef Sallinger, head of the Chamber of Business has a small stone-mason's business. Both are shrewd in an earthy sort of way and both seem to speak each other's language. They have been described as the real government of Austria, no doubt an exaggeration, but it is

The business community

WHEN AUSTRIAN politicians, economists and journalists discuss the economic or political situation and refer to "the Chamber," they invariably mean the Federal Chamber of Economy, the body representing the business community, although there are two more chambers: the corporate organisations of the farmers and labour. Its composition, structure and influence clearly show that the Federal Chamber of Economy (Bundeswirtschaftskammer) is much more than a conventional Chamber of Commerce as known in most other West European countries.

Agreements

Organised on a regional basis in the nine Länder and divided into six sections (industry, trade, commerce, finance-credit, transport and tourism), which in turn comprise no less than 130 various professional associations and guilds, the Federal Chamber represents the interests of over 280,000 members. It is a body incorporated under public law, and the leading organs are elected at secret and general elections which are held every five years. Regardless of the size of the firm, every member, be it a self-employed butcher or shopkeeper or a large company, has only one vote.

Not surprisingly the list of the People's Party invariably receives the overwhelming

majority. Thus at this year's election, the Wirtschaftsbund (one of the three institutional pillars of the party) scored 98.2 per cent of the 269,000 valid votes. As the chambers at the regional and federal level cover the entire economy, even including enterprises belonging to the nationalised or public sector, there are no other chambers of commerce, trade

and wages. President Sallinger's influence goes far beyond the purely business issues. The Chamber of Economy enjoys the constitutional right, along with the other chambers, to give a formal opinion on every Bill before it is submitted to Parliament. Furthermore, the chambers of economy, labour and agriculture are represented in numerous consultative bodies dealing with housing and environmental problems, anti-dumping and cartels, foreign trade and customs.

In one way or another, the Federal Chamber of Economy is involved in all major negotiations which affect Austria's politics and economics. Its apparatus, headed by Secretary General Dr. Arthur Maschl, is recognised even by political opponents as one of the most efficient organisations in Austria. The professional associations and the sections provide a variety of assistance and advice to members.

One of the most important activities is the unique system of export promotion, organised and financed by the Federal Chamber of Economy. Instead of bureaucratic red tape and diplomats acting as commercial representatives, the Chamber currently operates 76 trade

representative offices all over the world, which inform and directly assist about 3,500 Austrian firms each year. There is no doubt that foreign trade has greatly profited from the practical advantages offered by the Austrian system.

In contrast to diplomats, trade representatives generally stay for at least five years (if not longer) in any country and establish direct and regular contacts with the political and business community. As the Federal Chamber also sends regular missions to various foreign countries and organises collective exhibitions or stands at over 100 major fairs abroad, the trade delegates play a key role in tapping new markets and establishing contacts. The firms, however, also rely on the 16 regional "desk officers" working at the Federal Chamber's foreign trade department in Vienna. A wide range of publications, pocket books, fact sheets and specialised news bulletins inform the Austrian exporters about their present or projected markets, while 28 trade representative offices abroad publish regular economic bulletins in a number of languages providing information about the Austrian economy or individual Austrian companies. The foreign operations are covered from a 0.3 per cent levy on every invoiced foreign trade transaction under the foreign trade promotion Act.

Despite the existence of a Socialist Government since 1970 and the subsequent loss of the crucial Ministry of Trade by the People's Party, the Federal Chamber of Economy has, if anything, increased its weight

and influence. The last during the past five years sessions attempt has been to undermine the Chamber's position within the Austrian system is also the proven ability of the Chamber to articulate quickly and clearly its position in a conflict. There exists a private organisation of players, the Federal Austrian Industrialists, remains formally independent but operates in close contact with the Chamber, relationship between the two is headed by Dr. Igler, and the industry of the Federal Chamber, Mr. Philipp Schoeller, is a complex but at present peaceful since the two men both, senior partners in Schoeller merchant bank trading group.

Since the formation of the first Austrian Chamber of Commerce in January, 1918, Vienna, the intricate and ally organised system of chambers has become a political force. Its last has stood the test of a four-year period of four-power pacton 1945-55 and of a subsequent decades of economic growth and change. President Rudolf Sallinger and his associates deeply convinced as well, social partnership is a fact in domestic stability, social peace, provided if cooperation between labour and the State is voluntary and respects the interests of the community.

Paul Lei
Vienna Correspondent

Unique

One of the most important activities is the unique system of export promotion, organised and financed by the Federal Chamber of Economy. Instead of bureaucratic red tape and diplomats acting as commercial representatives, the Chamber currently operates 76 trade

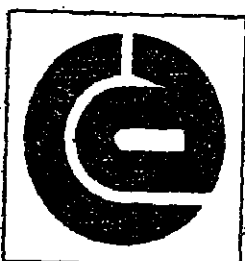


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The unions partners

WHENEVER TRADE union delegates visit Austria, they are always astonished that, in addition to the unions, there are also what are officially called "Chambers of Workers and Employees" with large doubt the constitutional staffs, spacious offices, rest homes, etc. The public at large becomes particularly aware of the Chambers of Labour when every five years country-wide elections are held and the political parties claim advances or suffer setbacks. Yet the Chambers of Labour, though rarely in the newspaper headlines, carry on extremely useful work and play also an important role in the framework of social partnership.

Founded originally in 1930, the Chambers of Labour are similar to all other chambers bodies incorporated under public law. They were created at the demand of the workers as a counterpart to the Chambers of Commerce, later of economy. In contrast to the unions, they are autonomous self-governing public bodies with their own income from the monthly contributions paid by all workers and employees (except public servants and those engaged in agriculture and forestry who are automatically members of the chambers). This means that out of 2.6m. gainfully employed persons, about 1.9m. belong to the chambers.

After the hiatus of the Nazi era, which banned and dissolved all such organisations, the chambers re-emerged and their activities are now guided by a law dating from 1954. As Austria's first post-war president, Dr. Karl Renner, said, the chambers are not organs of social war but mediators of social peace. Regardless of their constructive and moderate attitude, the trade unions remain fighting organisations for the rights and claims of their members. The chambers are supplementary bodies working, however, in extremely close institutional and personal co-operation with the unions. The elected officials of the chambers were and are life-long members and are life-long shop stewards. Thus, for example, the long-serving president of the Vienna Chamber (and thus automatically president of the Austrian Chamber of Labour), Mr. Wilhelm Hrditschka, is simultaneously chairman of the trade union of the chemical workers.

What, then, is the daily work performed by the chamber apparatus? In many ways, the same type of activities as carried on by the Chambers of Business: Community advice and assistance for the members, ranging from social insurance and welfare to legal and educational matters. At the same time, the Chambers of Labour also advise the Government, regardless of its composition and political colour. Bills have to be submitted to the Cham-

Commissions

The Chambers of Labour represented in scores of important commissions and committees, ranging from the General Council of the OeGB and the Joint Committee on Prices and Wages to foreign trade boards and delegations to GATT and EEC (and even to the Time Committee of the Federal ways). At the Vienna Chamber of Labour, for example, important departments with questions of economic policy, economic social economic and tax law and summer protection. These departments are generally regarded as the "brains trusts" of unions and, in a political sense, of the social democratic movement. Several members of present socialist Government, for example, originally worked at the chambers.

At the elections every years the members choose the councillors (810 in the whole of Austria) who in turn elect the executive bodies, the presidents of the regional chambers in the nine Länder. The last poll, held in September, 1974 confirmed the leading role of the socialist who gained 63.4 per cent compared to 1974. The Freedom Party, the smaller parliamentary opposition party, secured 4.6 per cent and the Christian Socialists a mere 0.3 per cent. This means that 531 of the 810 councillors are socialists. Yet for the first time the chamber in one land, even in the smallest province of Vorarlberg, is now headed by a People's Party functionary.

The services and assistance provided by the chambers are particularly important for the employees of small firms or self-employed entrepreneurs. At the same time, the Chambers of Labour are not competitors with the unions but act as their younger partners in the public and political colour. Bills have to be submitted to the Cham-

Unions' approach pays dividends

of workmen tearing at Vienna are less than their pickaxes, defeated by the flagstone that won't (German?) bystander ne of the pickaxes, all his might and with moves the obstinate ilence; then one of the shakes his head and mutters: "Brute at's all..." Austrian chesnut hits shing about a small and many of its institu- tich have done very re- sely by eschewing me of the foremost of the Austrian Trade Federation (Oester- er Gewerkschaftsbund), which is rightly des- is powerful precisely it never throws its out. A case can be ut that in the very irst circumstances of Austria B could never have

become the power which it is if it had used its industrial as opposed to its political and economic power. Contrary to rumour, strikes do occur in Austria, but they are even rarer and more limited in scope than in proverbially strike-free West Germany. Yet, just in case, the OeGB has been building up a strike fund over the years. How much it amounts to is not known, but the sum must run into many billions of Austrian schillings. There is some reason to suppose that much OeGB money is invested in not especially liquid vehicles: what is supposedly a war chest, may have become another reason why the trade unions have long since become an essential element of the Austrian establishment. The formal conditions making this possible can be traced far back in Austrian history. Since the mid-19th century it has been

Austrian administrative practice to hear the representatives of all party OeGB. That merger is of central importance for under- standing the position of Austrian trade unionism: it made the new federation the only representa- tive of organised (and de facto of unorganised) labour in collec- tive bargaining. Moreover, since unionisation is very wide- spread it gave the OeGB, or rather its members, a leading role in the Chambers of Labour which, as of right, are heard when Government and adminis- tration deal with matters affect- ing the interests of labour. More- over, the disappearance of the rival trade unions gave the OeGB a dominating role in the works councils which under a law more than 50 years old have to be set up in every enter- prise of any magnitude at all. The importance of a council varies, depending upon the spirit of its members. It has very wide rights of consultation

in matters affecting the interests of the men in the plant and even a right of veto over dis- missals, though that, in turn, is subject to arbitration in case of unresolved disputes. It has been said that though the council cannot run the shop, the employer cannot run it against the Council either, provided that the council insists on its rights. No doubt there are exceptions, but on the whole the Austrian reputation for pragmatism has been justified by the results. But the OeGB has also infiltrated the side of the employers: it is the owner of an Austrian bank of some size, and through it owns a paper mill. More in keeping, perhaps, with the general idea of a trade union it owns meeting halls, a publishing house, a travel bureau, and the like. The OeGB's role as an entrepreneur should not be exaggerated, but it does exist and, for all one knows, may occasionally con- centrate the minds of any less said leaders.

As a hangover from the past, with certain exceptions, the OeGB contains subgroups along the former ideological lines, but now within one and the same federation. The Socialists, accounting for some two-thirds of the total mem- bership of more than 1.5m., are inevitably the leading element. Ship of more than 1.5m., are "Christian" unionists, more or less closely linked with the

opposition party. Some 17 per cent, are independent, and the rest, including the Communists, nowhere. Close Inevitably links between the OeGB and the Socialist Party of Dr. Bruno Kreisky, the Chancellor (himself very much a man of the upper middle classes) are close indeed. But there is nothing akin to the block vote system which enables British trade unions to dominate Labour Party Con- ferences (though not necessarily Labour Governments). How- ever, the overlap between unions and party is consid- erable: many Socialist deputies are union officials; many Min- isters came up the same way. Men on the other side of the fence feel that there is a danger of the party-union identification going too far for the existing balance of powers within State and industry.

On the other hand, perhaps with certain exceptions, the OeGB contains subgroups along the former ideological lines, but now within one and the same federation. The Socialists, accounting for some two-thirds of the total mem- bership of more than 1.5m., are inevitably the leading element. Ship of more than 1.5m., are "Christian" unionists, more or less closely linked with the

companies and in private com- panies with more than 300 employees. Unlike their German counterparts (and apparently un- like the TUC), the Austrian trade unionists preferred not to be represented on the executive Boards which actually run the company, fearing that a worker director would have to face intolerable conflicts of interest. However, Austria, being Austria, trade unionists, wear- ing their Socialist Party hats, are represented on the Boards of the nationalised industries, without any obvious strains on their mental balance. The assumption behind it all from the trade union viewpoint is that by its direct and indirect influence on administration and government the OeGB can do more to advance its members' welfare than by bludgeoning another per cent. in wages out of the employers. That estab- lishes a certain compulsion to exercise the great power of the unions responsibly. Herr Anton Benya, chairman of the OeGB, to take an example, has set himself a long term aim of a 3 per cent annual increase of the purchasing power of pay packets—something that may prove hard to sustain in the present day world. But when taxes were cut this year for conjunctural reasons he was ready to accept that as contribut- ing towards his aim.

It is a key question whether this attitude of moderation can persist or whether, as some employers claim, the OeGB may fall into more radical hands. On the evidence, and providing that the international climate does not deteriorate awfully, there is reason to suppose that the OeGB will remain moderate. There is little sign of radicalism in Austrian youth, except on a minute fringe. Moreover the OeGB is severely centralised: power lies with the federation, not with the constituent indus- trial (not craft) unions, so that there is little danger of indi- vidual leaders outbidding each other. Moreover, the traditional respect for knowledge of the conscientious Austrian trade unionist is a safeguard against mere rabble rousing. Intending members of works councils are expected to undergo schooling —one or two evenings a week for up to three years, learning not only negotiating practice and labour law, but also economics and even brushing up a foreign language. Perhaps the whole attitude is best reflected in the answer of a man considered to be of the Left who, when asked whether the OeGB wanted a redistribution of wealth, brushed aside the question with the comment: "Where there is no production there is nothing to distribute." Trite, perhaps, but to the point

W.L.L.

Voice of the farmers

ENTRAL Office for discuss problems of economic has just published a policy, ranging from foreign trade and tariffs to prices, taxes, share of the agricul- tural and social security matters. Surprisingly, the top repre- sentative of the farmers com- munity is a doctor who studied the 708,000 rural population at the universities of its account for 9.4 per cent of the population can be grasped if one looks at it as recently as 1.5m. strong farming community still represented 22 per cent of the population. In four years later also president of the umbrella organisation, the Präsidentenkonferenz. Dr. Lehner ranks to-day as the chief negotiator on behalf of the farmers with the socialist Minister of Agriculture, Dr. Oskar Weiss. For all the political differences, their personal relationship is such that some socialist functionaries privately accuse Minister Weiss of making far too many concessions to the peasants. Be that as it may, there can be no agricultural policy without the Chambers of Agriculture. There are officially regulated prices for wheat, rye, milk, butter, cheese, sugar beet and for imported fodder. The chambers not only present the price claims of the farmers; they also play a key role in the three funds for dairy products, grain and the cattle trade, which have operated since 1950. Two important features distinguish these funds from other bodies. First, the boards are composed only of the representatives of the Chambers of Agriculture, Economy and Labour. Second, decisions are taken with a four-fifths majority. This means that even in the unlikely case that the business and labour delegates were to vote en bloc against the farmers, their nine representa- tives could nevertheless veto the decision in the 27 member boards. While it is true that the intricate system of sales, import and subsidy regulations has pro- vided for market equilibrium, undisturbed supplies and rising production, it also assured what the socialists see as a primacy of the interests of the producers to the detriment of the consumers. The law on market regulations has traditionally been a subject for heated political bargaining. Since it is a constitutional law, Parliament must pass it by a two thirds majority. This means, of course, that the socialists can easily block the relevant legislation. As the law is always voted only for a certain period, renewal means a political battle. The socialists in 1974 demanded a drastic change in the regula- tions concerning the three funds. They pressed for the inclusion of trade union repre- sentatives and for a change of decision-making based on the principle of a four-fifths majority vote.

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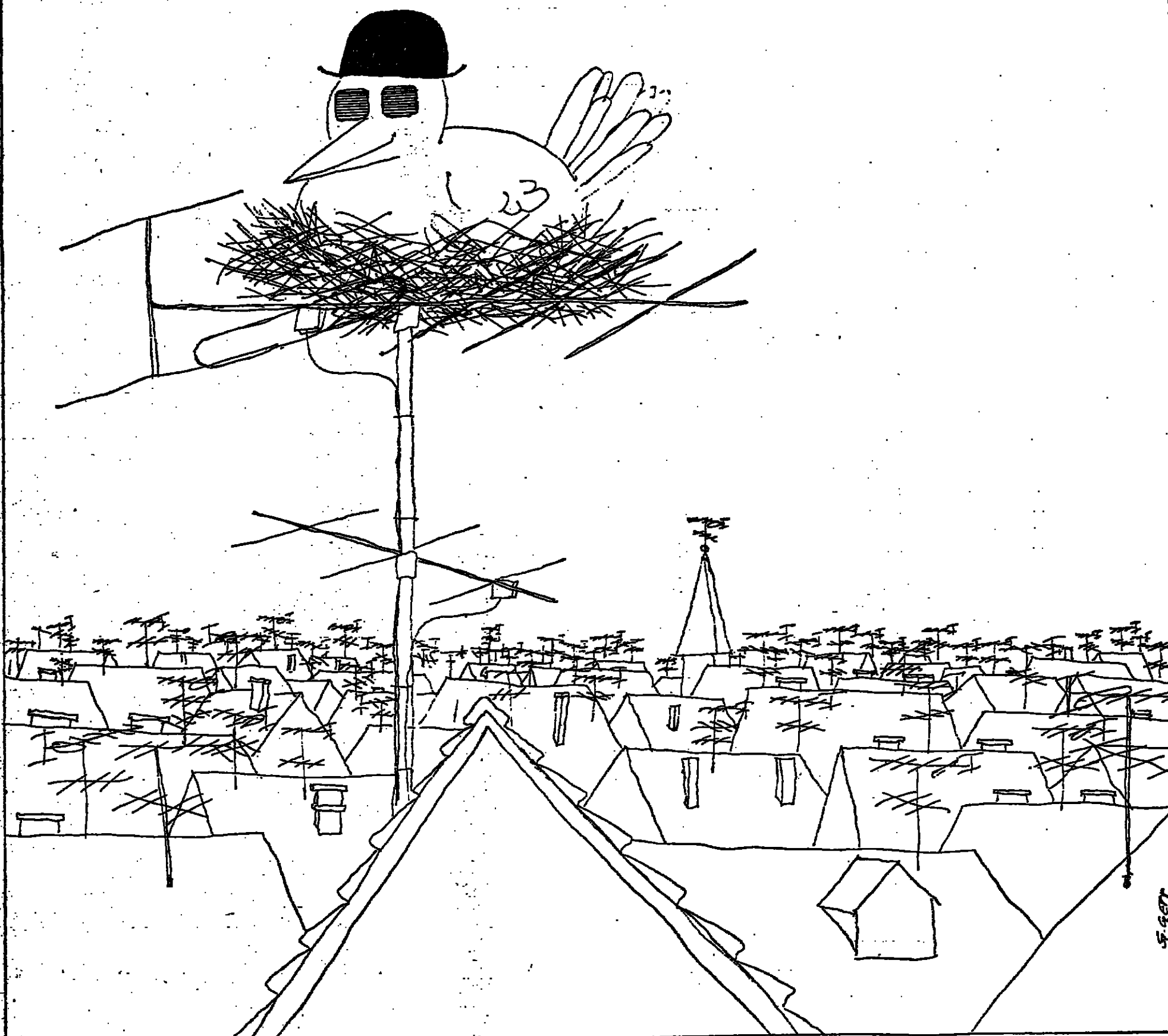
er important factor is, e, the elaborate system ities and commissions g in the search for compromise between the interested parties. In this search for a acceptable compromise interests of the are represented by the s of Agriculture which, e of the economy and re bodies incorporated ublic law. Thus the are represented on s consultative bodies. tion results for each of chambers in the nine reflect the domination people's party, which 84 per cent, of the votes, while the run Working Peasants' received less than 9 per chambers of Agriculture contrast to the unions Federal Chamber of , no strong central Ever since the setting the first chamber in Austria in 1822, the s in the Länder have 1 bodies of strong local y. According to the constitution, matters g to farming and are under the compe- the Länder. This is on why the Chambers culture have only an organisation with the long-winded title of ence of the Presidents hambers of Agriculture ia." Though it is not body but a private tion, its president has with the Minister of ural and its officials, eir counterparts from er chambers and the t the federal levels, to

in 1972 launched a special assistance programme for mountain farms, providing Sch.300m. per annum for a period of five years. President Lehner believes that regardless of the outcome of the general elections, the

system of social partnership will continue to operate as before. Thus the Chambers of Agriculture are also bound to remain a powerful force in Austrian politics.

P.L.

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Share index up 6.2 at 341.1—Gilts fluctuate narrowly

Account Dealing Dates

Option

First Declared Last Account

Dealings (from Dealings Day)

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sterling on foreign exchange

markets. Short-term issues were

showing losses to 1/2 in the earlier

dealings, but picked up in places

and in the very late trading the

trend was to slightly higher levels.

It was a similar story in the

medium and long, which finally

erased initial falls of 1/2 to 1

and finished without alteration on the

day.

A fairly quiet day in the invest-

ment currency market saw the

premium move within a range of

34 1/2 and 35 1/2, before closing lower

on balance at 35 1/2 per cent.

Yesterday's S.E. conversion factor

was 0.6511 (0.6495). In Canadian

issues, Seagram shed 1/2 to 230 1/2

following the reduced fourth-

quarter earnings.

The announcement of the Govern-

ment's measures to curb unemploy-

ment which became known just

after 3 p.m., had little impact

on sentiment, the slightly easier

trend in the latter dealings

mainly reflecting the absence of

business. Up 1/2 at 2 p.m., the FT

30-share index closed 6.2 higher

on balance at 341.1, after the pre-

vious day's reaction of 0.8.

Secondary issues presented a

rather mixed appearance, but

risers were in a slight majority

over falls in FT-quoted industrial

The FT-Actuaries All-Share Index

improved 1.3 per cent to 148.6.

Company trading statements

created a fair amount of interest,

while bid speculation provided one

or two minor features. Official

markings of 5,592 compared with

5,812 on Tuesday and 5,686 a week

ago.

The rally in Gold shares fol-

lowed an improvement of 8.25

to 433.8 an ounce in the bullion

price. Demand was fairly general

and prices showed some useful

gains at the end of the day. The

Gold mines index put on 15.2 to

251.4, after recording a fall of

30.7 over the previous six trading

days.

Gilts little changed

The gilt-edged market con-

tinued to mirror the trend in

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a rise of 9 to 159p on buying

ahead of next Monday's interim

figures. Tilbury Contracting

picked up 4 more at 202p (a rise

of 20 so far this week), while

similar rises were seen in Ex-

ton, and Taylor Wadsworth, 239p.

Southern Constructors closed a

fraction higher at 104p following

the interim report. Reed and Mal-

lik put on 3 at 15p as did Concrete

at 63p. Hestock Johnson, however,

finished 3 cheaper at 83p ahead

of today's half-yearly report.

Paint issues made more head-

way. Leyland closing 2 firmer at

20p.

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"Gussies" 'A' were prominent at

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continued in Hall, Thermotank,

the shares closing 1/2 higher at 113p

to 1975 high of 82p. Reflect

AUTHORISED UNIT TRUSTS

Arbutnot Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Brown Shipley & Co. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Geoffrey (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Lloyds Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	National Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Prudential Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Reliance Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Slater Walker Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Target Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Trident Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770
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INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

London	100.00
Edinburgh	100.00
Glasgow	100.00
Belfast	100.00
Cardiff	100.00
Manchester	100.00
Newcastle	100.00
Nottingham	100.00
Sheffield	100.00
Sunderland	100.00
Wolverhampton	100.00

INDEXES AND LAGGARDS

FTSE 100	100.00
FTSE 250	100.00
FTSE 350	100.00
FTSE 450	100.00
FTSE 550	100.00
FTSE 650	100.00
FTSE 750	100.00
FTSE 850	100.00
FTSE 950	100.00
FTSE 1050	100.00

INTERIM STATEMENT

NEGIT S.A.

Semi-Annual Report (Unaudited)
for the period 1st January to 30th June 1975

Net Assets increased by US\$1,941,327, including Net
Income of US\$193,018.

OLDATED ASSETS AT 30TH JUNE 1975

US\$	Per cent
7,751,032	79.73
1,968,570	20.15
11,448	0.12

8,721,047 100.00

Number of shares in circulation at 30th June 1975 was
610.

ASSET VALUES

30th June 1975	US\$8.31 per share
31st May 1975	US\$8.70 per share
1st January 1975	US\$8.77 per share

Copies of the Report may be obtained from NEGIT S.A.,
Solecard Road, Luxembourg or H.M. Samuel & Co.,
ed, 100 Wood Street, London EC2P 2AJ.

APOLLO

Edited by Denis Sutton

a world's leading magazine of
Arts and Antiques

had Monthly price £1.25 Annual Subscription £16.00 (Inland)
has Subscription £18.00 USA Air Assisted \$48

Magazine, Broken House, 10, Cannon Street, London,
EC4P 4BY, Tel. 01-248 8000.

Abbey Life Assurance Co. Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	The City of Westminster Assur. Soc. V 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Home Life Assurance Limited 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Life & Equity Assurance 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Norwich Union Insurance Group 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Slater Walker Insurance Co. Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Sun Life of Canada (U.K.) Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Target Life Assurance Co. Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Trident Life Assurance Co. Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Tyndall Group 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770
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OFFSHORE AND OVERSEAS FUNDS

Albany Management Co. Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Charterhouse Japhet 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Free World Fund Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Keybank Mgt. Jersey Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Samuel Mouton Ltd. Agts. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Target Trust Mgrs. (Cayman) Ltd. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	Tyndall Group 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	United States Tr. Inf. Adv. Co. 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	World Wide Growth Management 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770	World Wide Growth Management 01-250770 Unit Tr. Mgrs. Ltd. (M) 01-250770
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HOTELS—Continued

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FINANCIAL TIMES

Thursday September 25 1975

The best place from
which to reach any
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the centre

Govt of Bradford Metropolitan
Council

U.K. hopes for more arms deals with U.S.

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE U.K. is hoping for a much wider exchange of arms deals with the U.S. both as a means of promoting greater standardisation of weapons in NATO and of promoting Anglo-U.S. trade.

This was the main point to emerge from the meeting in London yesterday between Mr. James Schlesinger, U.S. Defence Secretary, and Mr. Roy Mason, U.K. Defence Minister, at which they signed a Memorandum of Understanding providing for such a greater exchange—the so-called "Two-Way Street".

It was made clear in a communiqué after the meeting that the U.K. is anxious to correct the present imbalance that exists in arms deals between the two countries, with the U.K. buying much more from the U.S. than the latter takes from Britain.

No further details of the Memorandum were given, but it is understood to open the way to direct discussions between companies in the two countries on mutual weapons activities.

Mr. Schlesinger, who is spending a few days in London before starting a nine-day tour of Europe, is understood to share views of Mr. Mason (the present chairman of the NATO Euro-group, dedicated to greater arms standardisation) that there must be more collaboration in this field not only to save money but also to improve NATO's military preparedness.

During yesterday's meeting, it is understood that the two Ministers discussed broadly the U.K. decision to buy the U.S. McDonnell Douglas Sub-Harpoon submarine-launched anti-ship missile, in place of the Hawker Siddeley Sub-Martel weapon now being cancelled.

While the U.K. is expecting some substantial licence pro-



Mr. Roy Mason: seeks more collaboration

duction of Sub-Harpoon in return for buying it, together with a share in future sales to other NATO countries, it is understood that a much wider Anglo-U.S. arms exchange is envisaged in the long-term.

This would range over military hardware and ships, as well as aircraft and missiles.

Areas where closer collaboration could occur, for example, include development of the next generation main battle tank for Europe, in the provision of gas-turbine powerplants for naval turbine powerplants for naval craft (with the new Rolls-Royce RB-244 engine a strong card in the U.K. hand), and a renewed U.S. interest in such projects as the Advanced Harrier with the uprated Pegasus 15 engine.

There is also a strengthening interest in the RAF in the procurement of a lightweight combat aircraft to supplement the higher and more expensive Multi-Role Combat Aircraft.

It is understood that the U.S. General Dynamics F-16 light-weight fighter, which recently won the European Starfighter replacement competition, has been mentioned as a possible candidate.

It is also being suggested in some aerospace, industry and defence quarters that although France is not a member of NATO, it might be possible to persuade it to join the MRCA project and drop its own plans for a Super Mirage jet.

This idea appears to have been given some impetus recently by the French decision to cut financial reasons the number of Super Mirage prototypes planned.

What has become clear in recent weeks is that the whole question of closer collaboration and standardisation of arms within NATO has assumed a greater urgency.

This is partly due to inflation throughout Europe and especially in the U.K., partly to political cuts in defence budgets, again especially in the U.K. where £47m. is being topped off spending over the next ten years, and partly to the lack of military effectiveness in NATO, which this lack of standardisation is causing.

Mr. Schlesinger is expected to be given much evidence of all three factors during his meetings in London this week (the second of his visits to the U.K.). Mr. Healey, Chancellor of the Exchequer, and then the Prime Minister at Chequers on Sunday) and during his subsequent visits to West Germany and France.

Opposition is lukewarm on jobs measures

BY JOHN BOURNE, LOBBY EDITOR

CONSERVATIVES. Liberals statement saying: "The scale and nature of the Government's hastily assembled package of half-considered measures, operating alongside gravely damaging policies, could raise very serious doubts about their determination to give overriding priority to the conquest of inflation."

"We welcome that the Government has accepted our advice to take action to help school leavers and improve training facilities."

But the Government has missed the opportunity to spell out the inescapable truth about inflation and to drive home the importance of lower pay settlements (below £8 a week).

"Unless the growth of public spending is curtailed, industry will continue to lack the resources for new investment. The proposal to undertake further spending on selected public works is directly contrary to the Government's earlier commitment to reduce the public sector deficits."

"Too cynical"

But in the Lords, Lord Shepherd speaking for the Government, said that Ministers believed that the public expenditure deficit had got to be reduced. A review was taking place over the medium-term and a statement would be made in due course.

Mr. John Pardoos MP, the Liberal's economics spokesman, described the Government's measures as "panic" which had more to do with next week's Labour Party conference than with the plight of the unemployed.

"To dangle this rag bag of ineffectual measures in the face of the unemployed is too cynical by half. The work creation programme is the only measure with any hope of success. The rest, including the national executive by the constituency parties."

For the Tories, Sir Geoffrey Howe, QC, Shadow Chancellor, and Mr. James Prior, Shadow Employment Secretary, issued a

statement saying: "The scale and nature of the Government's hastily assembled package of half-considered measures, operating alongside gravely damaging policies, could raise very serious doubts about their determination to give overriding priority to the conquest of inflation."

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Having fallen by over 15 points from Monday's highest reading, the 30 Share Index started to pick up again first thing yesterday morning. It closed a shade below the best, and equities as a whole did not look quite so buoyant with overall rises running only a little higher than falls over the day.

But at the moment it only looks a question of time before the market has another attempt at the top of its recent trading range.

Burmah Oil

The Burmah Interim statement reveals almost casually that its current outgoings on the five LNG ships now being built are \$9m. a month pending permanent financing—translate that to over £50m. a year, and remember the other shipping and exploration commitments, and you get some idea of the frightening cash drain being suffered by the group.

Such considerations drastically reduce the relevance of its trading results, which show only a small pre-tax loss of £2.5m. compared with £18.2m. in the second half of 1974.

The improvement largely reflects a cut in the tanker loss from £32m. in July-December 1974 to £17.5m. in January-June this time, which in turn is due to cost containment through, for instance, increased lay-ups.

The number of vessels laid up has risen from 13 in May to 19 at present, and the Japan Line settlement should produce further operational savings in the current six months. But the current half makes in the hottest and driest period of the summer but Rowntree reckons its Christmas orders are currently building up impressively, and cost increases are now slowing rapidly. Seven price rises last year should compare with four in 1975, all of which were implemented by June.

Overall the message is that Rowntree is still not in the market for a funding operation.

The group has worked through the first half without further serious erosion of its book net worth, down only 5p. from the £288m. of last December. Trading profits excluding tankers have eased only from £51.9m. in the first half of 1974

Index rose 6.2 to 341.1

to £44.6m. with gains at Castrol and on the industrial side, but a slight decline in the U.S. (rather sharper at the post depreciation level).

At this stage, however, most of the uncertainties remain. Crucially, the Americans are still keeping Burmah guessing on its U.S. disposals, and although Burmah may be right in blaming political factors and ins from the debate over U.S. domestic oil pricing, the potential buyers will also be aware that Burmah is in more of a hurry than they are. The share price was unmoved at 37p after the results (for a capitalisation of £53m.).

See also Page 22

Rowntree

The interim statement from Rowntree Macintosh predicts increased profits for 1975, and that was enough yesterday to restore all but 1p of Tuesday's decline in the share price. Sales are expected to rise from £252m. to over £300m. this year, and with very little deterioration in margins (before interest and depreciation) trading profits are going up—by around 24p. to £33m. And the interest charge is edging downwards.

By and large Rowntree's volume overseas has risen; while in the U.K. it has usefully outperformed the industry average, with a drop of just 7.1 per cent. cushioned by the strength of count lines like Kit Kat. The current half makes in the hottest and driest period of the summer but Rowntree reckons its Christmas orders are currently building up impressively, and cost increases are now slowing rapidly. Seven price rises last year should compare with four in 1975, all of which were implemented by June.

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its tax losses, but last year will take care of its capital spending, while capital pressures putting too much strain levels. The prospectively 150p. is 4.4 per cent historic cover of its one explanation premium rating.

See also Page 22

Tootal

The overseas, Tootal into the tough, are now pulling it. Group profits in the 3 to July are down from £3.1m., and the overseas are back up to the pre-interest total slipped down to a third the second half of 1974—which barely broke

wards the end of last the motor, and finally factors come back market for Indonesia and Australia has the corner. Overall, profits in the current be roughly double depressed level.

Recovery at home away. The high retail business remains a mess, and although Tootal is still having time in the fabrics and its second biggest operation. However, ought to see some recovery over the year, and although it is running well, it is expected to ease then So the dividend should just about be out of trading. Last year's profits, may be 25m. or 30m. a critical peak of 1973-74. Tootal says sensibly next year's recovery next year. In this yield of 9 per cent, enough to keep a na talisation of £47m. at the ing broadly in line market.

See also Page 22

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the first half without further serious erosion of its book net worth, down only 5p. from the £288m. of last December. Trading profits excluding tankers have eased only from £51.9m. in the first half of 1974

Shore sees chance of major RB-211 order by Russians

BY DAVID LASCELLES

MOSCOW, Sept. 24.

MR. PETER SHORE, Trade Secretary, confirmed here today that there was a distinct possibility of the Russians buying the Rolls-Royce RB-211 engine. Following two days of talks with top Soviet trade officials, he said he foresaw an initial contract for a small number of engines which would be tested for compatibility with Soviet aircrafts.

Later there would be another contract for a "substantial" number of engines and technology. The engines would be incorporated in the wide-bodied Airbus, the IL-86, which the Russians have been working on for some years.

Further aviation equipment and technology would be supplied by Lucas. Mr. Shore said. But he stressed that the contract had not been signed yet and that the outcome of negotiations would not be known for some weeks.

However, the likelihood of the contract going through is high, given that there are no known competitors.

Mr. Shore said that his talks with Mr. Nikolai Patolichev, Minister of Foreign Trade, and Mr. Vladimir Kirillin, chairman of the state committee for science and technology had been "very constructive indeed."

Other major projects offering opportunities for British companies included the Udonk copper project in Siberia, he said. The Russians had now brought this project forward and he expected Rio Tinto Zinc to sign a contract for a pilot plant soon. The project is now clearly on the books for the next five-year plan beginning next year.

Mr. Shore also hoped to see a slice of the business involved in preparing for the 1980 Moscow Olympics come Britain's

way. This included hotel construction and TV and broadcasting equipment. Other opportunities lay in fertiliser and plastic plants and nuclear power engineering.

Mr. Shore announced that Mr. Patolichev, who visited Britain last autumn along with several Soviet business delegations including the chemicals industry Minister Mr. Kontanov.

As an informal visit arranged to slot in at the end of Mr. Shore's Far East trip, the Trade Secretary's visit appears to have been remarkably successful. Officials commented on the Russian's evident enthusiasm to do business with Britain and their interest in British technology.

Britain's exports to the Soviet Union have more than doubled in the first eight months of this year to £140m.

Sir Keith pledge on 'economy battle'

BY RICHARD EVANS, LOBBY CORRESPONDENT

SIR KEITH JOSEPH, Conservative spokesman for policy and research, promised last night that the Opposition would not exploit the Government's economic difficulties provided ministers resisted pressures to renege prematurely.

But Conservative leaders would continue to point out that grossly excessive Government expenditure was the main cause of inflation. Unless ministers rethought their position on public spending immediately they would be creating intractable problems for the future, Sir Keith argued.

Most of his speech at Preston was a defence of his speech in the same town a year ago, when he was accused by his political opponents of setting out to create unemployment deliberately with his "monetarist" policies.

But Sir Keith's view the events of the past year had more than proved him correct.

and do to them as they did to us in office. This is what I say by research, promise last night that the Opposition would not exploit the Government's economic difficulties provided ministers resisted pressures to renege prematurely.

Government spokesmen now argued that to cut Government expenditure would cause increased unemployment but that was their own fallacious argument that increased demand was the cure of unemployment in disguise.

It was now widely agreed that inflation far from curing unemployment only made it worse in due course. "The Government must rethink its position on public spending quite soon, just as it has gone some way to rethinking and persuading a number of trade union leaders that inflation destroys jobs as well as destroying savings, expectations, plans and a stable society."

This reappraisal of public spending will need strong nerves—stronger nerves than this Government has shown hitherto. But unless ministers start cutting public expenditure now they will be creating intractable problems for themselves, for the country and for their successors in the near future."

In Sir Keith's opinion unless public spending was brought under control the economic upturn would be a prelude to much worse inflation which would in turn generate far worse unemployment than the country was experiencing now.

He said that helping to keep people in their existing jobs by an employment subsidy was a uniquely British madness.

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Rupee link with sterling ended

BY K. K. SHARMA

NEW DELHI Sept. 24.

THE INDIAN Government today ended the rupee's link with sterling established in December 1971 and announced that the exchange value of the rupee will now be determined daily with reference to a "basket" of selected currencies of countries which are India's major trading partners.

The currencies in the "basket" were not revealed, nor are they likely to be, but it was stated that the "pound sterling will continue to be used by the Reserve Bank of India as its

currency of intervention."

This means simply that the daily exchange rate worked out in relation to the exchange rate of the basket of currencies will continue to be expressed in terms of the pound sterling.

With effect from tomorrow, the Reserve Bank's spot buying and selling rates for pound sterling have been fixed to yield a middle rate of Rs.18.3084=£1. Future changes in the rate will be determined with reference to the basket of currencies.

This means that the rupee has

been revalued slightly on the first day of ending the link with sterling, although it is in the margin of 2.25 per cent, allowed by the International Monetary Fund.

Although the contents of the basket are being kept a secret, it is common knowledge that the key currencies that enter into the country's trade are the pound sterling, German Mark, Japanese yen, and the U.S. dollar. The rupee is also a major currency in the basket.

The rupee has still to be decided

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Weather

U.K. TO-DAY
SHOWERS. Sunny spells. London, S.E. England, E. Anglia and Channel Isles. Rain early. Sunny periods and perhaps scattered showers later. Wind W, fresh, Max. 17C (63F). E, N.E., Cent. N., Cent. S. and S.W. England, E. and W. Midlands, S. and N. Wales. Sunny spells: scattered

BUSINESS CENTRES

City	Temp	Wind	Cloud
London	15	W	Partly
Birmingham	14	W	Partly
Manchester	13	W	Partly
Edinburgh	12	W	Partly
Glasgow	11	W	Partly
Cardiff	14	W	Partly
Belfast	13	W	Partly
Newcastle	14	W	Partly
Sheffield	13	W	Partly
Nottingham	14	W	Partly
Leeds	13	W	Partly
Liverpool	14	W	Partly
Bristol	15	W	Partly
Exeter	16	W	Partly
Plymouth	17	W	Partly
Southampton	18	W	Partly
Portsmouth	19	W	Partly
London	15	W	Partly
Birmingham	14	W	Partly
Manchester	13	W	Partly
Edinburgh	12	W	Partly
Glasgow	11	W	Partly
Cardiff	14	W	Partly
Belfast	13	W	Partly
Newcastle	14	W	Partly
Sheffield	13	W	Partly
Nottingham	14	W	Partly
Leeds	13	W	Partly
Liverpool	14	W	Partly
Bristol	15	W	Partly
Exeter	16	W	Partly
Plymouth	17	W	Partly
Southampton	18	W	Partly
Portsmouth	19	W	Partly

showers. Wind W, fresh or strong, Max. 18C (61F). N.W. England, Lakes, E. of Man, Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, Argyll. Sunny intervals, occasional heavy showers. Wind W, strong or gale, Max. 15C (59F). Aberdeen, Cent. Highlands, Moray Firth, N.E. and N.W. Scotland, Orkney, Shetland. Cloudy, periods of rain, becoming brighter. Wind N, strong or gale, Max. 12C (54F). Outlook: Rain, sunny intervals.

HOLIDAY RESORTS

London	15	W	Partly
Birmingham	14	W	Partly
Manchester	13	W	Partly
Edinburgh	12	W	Partly
Glasgow	11	W	Partly
Cardiff	14	W	Partly
Belfast	13	W	Partly
Newcastle	14	W	Partly
Sheffield	13	W	Partly
Nottingham	14	W	Partly
Leeds	13	W	Partly
Liverpool	14	W	Partly
Bristol	15	W	Partly
Exeter	16	W	Partly
Plymouth	17	W	Partly
Southampton	18	W	Partly
Portsmouth	19	W	Partly
London	15	W	Partly
Birmingham	14	W	Partly
Manchester	13	W	Partly
Edinburgh	12	W	Partly
Glasgow	11	W	Partly
Cardiff	14	W	Partly
Belfast	13	W	Partly
Newcastle	14	W	Partly
Sheffield	13	W	Partly
Nottingham	14	W	Partly
Leeds	13	W	Partly
Liverpool	14	W	Partly
Bristol	15	W	Partly
Exeter	16	W	Partly
Plymouth	17	W	Partly
Southampton	18	W	Partly
Portsmouth	19	W	Partly